

“WE ARE AT HEART A TECHNOLOGICAL COMPANY, KEEPING GROWTH AND INNOVATION AS THE CORE TENETS OF OUR STRATEGY. THE NAUTILUS SHELL IS A SYMBOL OF GROWTH, EXPANSION AND STRENGTH, CONTAINING WITHIN ITSELF THE GOLDEN RATIO - A REMINDER THAT WE ARE ALL PART OF A GREATER WHOLE.”

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# VISION

DISRUPT. INNOVATE. CREATE VALUE.

# MISSION

TO USE DISRUPTIVE TECHNOLOGY  
TO MAXIMIZE STAKEHOLDER  
RETURN AND ACHIEVE  
SUSTAINABLE GROWTH FOR OUR  
PORTFOLIO COMPANIES.

# CORE VALUES

INTEGRITY | ENTREPRENEURIAL SPIRIT  
VALUE CREATION | TEAM WORK  
DIVERSITY | GENDER EQUALITY

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Jameel Yusuf S.St.

Ali Jameel

Vice Admiral (R) Muhammad Shafi HI(M)

Major Gen (R) Zafar-ul-Hasan Naqvi

Bilal Alibhai

Mark Rousseau

Nadeem Arshad Elahi

Sabiha Sultan Ahmed

Director/Chairman

Director/CEO

Director

Director

Director

Director

Director

Director

## CHIEF EXECUTIVE OFFICER

Ali Jameel

## CHIEF FINANCIAL OFFICER

Adnan Quaid Johar Khandwala

## COMPANY SECRETARY

Danish Qazi

## AUDIT COMMITTEE

Nadeem Arshad Elahi

Maj Gen (R) Zafar-ul-Hasan Naqvi

Sabiha Sultan Ahmed

Yousuf Zohaib Ali

Chairman

Member

Member

Secretary

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Nadeem Arshad Elahi

Major Gen (R) Zafar-ul-Hasan Naqvi

Ali Jameel

Nader Nawaz

Chairman

Member

Member

Secretary

## AUDITORS

EY Ford Rhodes Chartered Accountants

## LEGAL ADVISOR

Mohsin Tayebali & Co

## BANKERS

Habib Metropolitan Bank Limited

Standard Chartered Bank Limited

National Bank of Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Summit Bank Limited

Bank Al Habib Limited

Habib Bank Limited

JS Bank Limited

Silkbank Limited

United Bank Limited

Faysal Bank Limited

## SHARE REGISTRAR

THK Associates 1st Floor, 40-C,Block-6, PE.C.H.S.,

Karachi 75530 Tel: (021) 34168270

UAN: 111-000-322 FAX: (021) 34168271

## REGISTERED OFFICE

12th Floor, Centrepont, Off-Shaheed-e-Millat Expressway,

Adjacent KPT Interchange, Karachi-74900

## WEB PRESENCE

www.tplcorp.com

# GEOGRAPHICAL PRESENCE

## KARACHI

### CORPORATE OFFICE

12th & 13th Floor, Centrepont,  
Off Shaheed-e-Millat Expressway,  
Adjacent KPT Interchange,  
Karachi-74900

### TPL TRAKKER INSTALLATION CENTER

20-B, Block 6, PE.C.H.S. Shahrah-e-Faisal,  
Karachi. Phone: +92-21-34324011-13

UAN: +92-21-111-000-300

FAX: +92-21-34324014

## LAHORE OFFICE

51-M, Denim Road,  
Quaid-e-Azam Industrial Estate  
(Kot Lakhpat), Lahore

UAN: +92-42-111-000-300

FAX: +92-42-35157233

## MULTAN OFFICE

House No. 5, Suraj Miani Road,  
Opp. Ashraf Cardiac  
Clinic, Chungi No. 1, Multan

UAN: +92-61-111-000-300

FAX: +92-61-4519391

## ISLAMABAD OFFICE

10th Floor (South) ISE Towers,  
55-B Jinnah Avenue, Blue  
Area, Islamabad.

UAN: +92-51-111-000-300

FAX: +92-51-2895073

## FAISALABAD OFFICE

P-6161, West Canal Road, Faisalabad

UAN: 041-111-000-300,

Phone: +92-41-8501471-3

Fax: +92-41-8501470

## HYDERABAD OFFICE

A-8 District Council Complex, Hyderabad.

Phone: +92-22-2728676

FAX: +92-22-2783154

2nd Floor Plot #15/5,

Main Auto Bhan Road Railway

Cooperative Housing Society, Hyderabad.

I feel honored to share the remarkable performance of the Board of TPL Corp Limited ("Company") with its shareholders and gladly inform that the Board remained committed to efficiently discharging its duties towards effective performance of the Company and enhancement of its stakeholders' concerns. The performance is particularly noteworthy in light of the challenging trading environment in which the Company's various businesses operate.

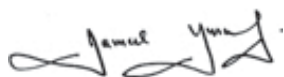
The Board comprises a mix of independent, non-executive and executive directors who provide a balance of skills and experience, helping the Company to thrive in its business. The Management has benefited from the knowledge, thoughtful engagement and regular support of the Board. The expertise of the Board has enabled the Company to effectively partake varied businesses in complex and fast-changing markets.

The Board continued to be committed to high standards of corporate governance throughout the Group and has conducted its review, on a self-assessment basis, for the year to evaluate its processes and effectiveness with the aim of ensuring the more efficient and effective operation and its functions, focusing on succession planning, the Board composition and the use of Board time.

The Board is ably assisted by its Committees, playing pivotal role in ensuring adherence to all regulatory requirements by the Management. The Audit Committee provides an independent review and supervision of financial reporting and monitoring and ensures that the audit function fairly represent the financial position of the Company. The Human resource Committee assists in ensuring hiring and retaining key management personnel.

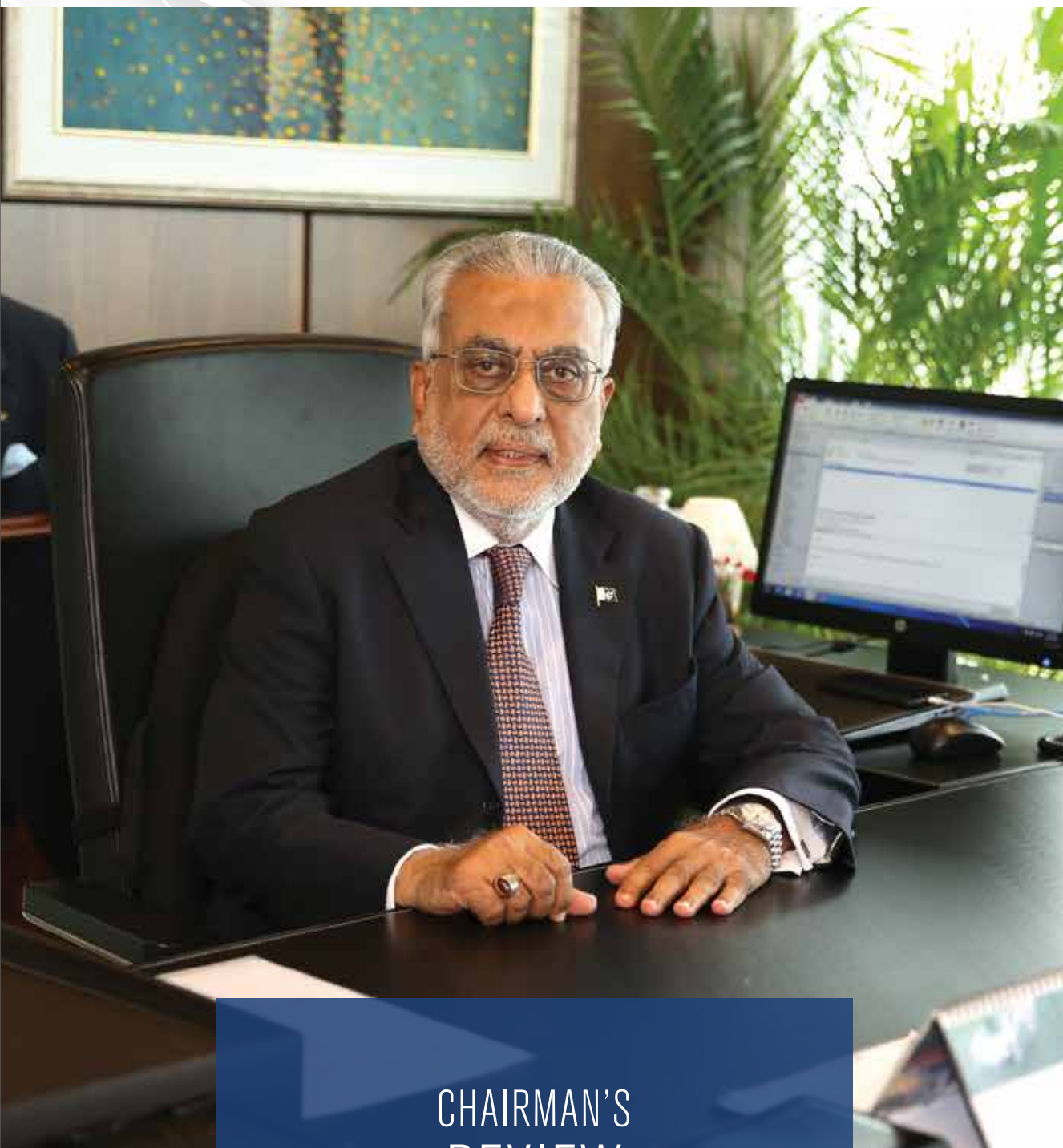
Looking ahead, the Board is determined to continue its efforts with the same zeal and aims at the flourishing growth and garner profitable ventures in the years to come.

I hope and pray that the Company continues to grow under the bright leadership of our worthy Directors.



Jameel Yusuf S.St.  
Chairman of the Board  
As of June 30, 2019





## CHAIRMAN'S REVIEW



## CEO'S MESSAGE



Every challenge presents opportunity. At TPL, we remain focused on the goals we have set for our companies, keeping growth and innovation as the core tenets of our strategy. We are at heart a technological company investing in multiple verticals and our backbone to achieving success will lie in how we harness data to create best-in-class services and competitive products for our customers.

The actions that we took in FY 2018-19 to simplify our businesses, reduce costs and rebalance capital have us well placed to meet these challenges. As the Country continues to digitize and grow in complexity, competition in the market is becoming fiercer. Feisty start-ups, fintech companies and online marketplaces are starting to disrupt the way in which business is conducted and consumers are thinking and interacting with brands. That is why we are driving sustainable growth through a diversified portfolio, with the foresight to temper our pace in anticipation of what lies ahead.

Our disciplined approach and collective obsession with disruption has enabled us to master the art of integrating content and context in real time. We've developed strong institutional relationships and the strength with which we've built our balance sheet has given us the agility and scope to make decisions that will result in long-term value for our stakeholders.

TPL Trakker continues to be transformed with a massive ramp-up in the development of new innovative technologies and solutions and an expansion in the UAE. We have accelerated investments in several technological products and services including the launch of two new product lines: Industrial Internet of Things (IIoT) and Vehicle Video Telematics. Using data for the predictive maintenance of vehicles, our analytics-based offerings will help customers achieve maximum uptime of their industrial assets and minimize maintenance costs.

We view the downturn in the auto sector as the perfect storm to transform and expand TPL Insurance's business portfolio by focusing on other retail market segments. After having introduced Pakistan's 1st customer app, we will continue to invest in digitization initiatives to improve app functionality. We are introducing usage-based insurance which will give drivers on-board real-time diagnostics to enhance driving skills and car performance. Our vision is to turn TPL Insurance into a market place, adding lifestyle choices that will grow the digital insurance ecosystem.

TPL Life has positioned itself to carve its niche amongst the existing club of life insurance players through continuous evolution in products, services and Insurtech platforms. Combining our traditional market approach and offerings with digital solutions, we have an innovative portfolio which will enable accelerated penetration as well as diversification of risk. We are partnering with market leaders to introduce initiatives which will create mass accessibility to custom products that can be priced, packaged and purchased through the app.

We believe that state-of-the-art commercial projects and high-end residential properties are a niche market with significant demand. At TPL Properties, we are positioned to capitalize

on these growth opportunities, using our expertise to deliver value for our partners, customers and shareholders. We have been awarded a license to carryout REIT Management Services as a Non-Banking Finance Company (NBFC) by the Securities and Exchange Commission of Pakistan. Currently, we are in the process of aggregating assets for the REIT portfolio and expect to launch a fund in FY21. We have signed a JV agreement to develop an off-dock terminal and storage facility to become functional by FY21. Our One Hoshang project is moving towards the schematic design phase and we expect to launch by Q3 of FY20.

Our journey with TPL Maps has been incredible so far and a strategic partnership with HERE Technologies will help put us on the global radar with access to international OEMs like Audi, Mercedes and BMW. Our primary revenue contributor, the In-Car Navigation business, now resides under the software and solutions domain and we intend to exponentially grow this segment. In 2018, our investment to develop software solutions which include LBA (Location Based Advertising), DART (Dispatch Solution) & CPS (Commercial Planning Solution) are also beginning to bear fruit and we are speaking with multiple local service providers and multinationals to implement these solutions across various industry verticals.

Moving forward, TPL e-Ventures will be working closely with incubators, accelerators, investors and other stakeholders to position itself as a thought leader and shape the narrative of Pakistan's start-up eco-system. The focus will be manifold: to mature existing portfolio companies, identify high-growth opportunities for investments, and work on incubating ideas that can be executed via TPL Corp or strategic/JV partners. To date, we have made three overseas investments in KarloCompare, Tello Talk and Rider.

In line with our digital innovation and app offerings, we are looking to make IT a revenue center by selling enterprise solutions built in-house for our operating businesses. In the next FY, we will be patenting our developments which traverse the AI, data science and cloud computing arenas.

We expect the macroeconomic indicators and earnings in Pakistan to improve in the coming year as per the fiscal and monetary measures taken by the Government. Coupled with this is the faith I have in my management team to deliver on a strategy that will create sustained value for our shareholders, customers and employees well into the future. We are looking inwards to revise business structures and create a culture of knowledge sharing by completely eradicating silos.

I am excited by the future and the prospects it brings. I would like to thank my team for leading by example and for the commitment they bring with them every day – a commitment which matches my own. We look forward to creating value for you.

Best,



Ali Jameel



JAMEEL YUSUF S. ST. CHAIRMAN



ALI JAMEEL CEO



SABIHA SULTAN AHMED DIRECTOR



VICE ADMIRAL (R) MUHAMMAD SHAFI HI(M)  
DIRECTOR



NAHEED ARSHAD ELAHI DIRECTOR



MAJ GEN (R) ZAFAR-UL HASAN NAQVI  
DIRECTOR



MARK ROUSSEAU DIRECTOR



BILAL ALIBHAI DIRECTOR

## BOARD OF DIRECTORS

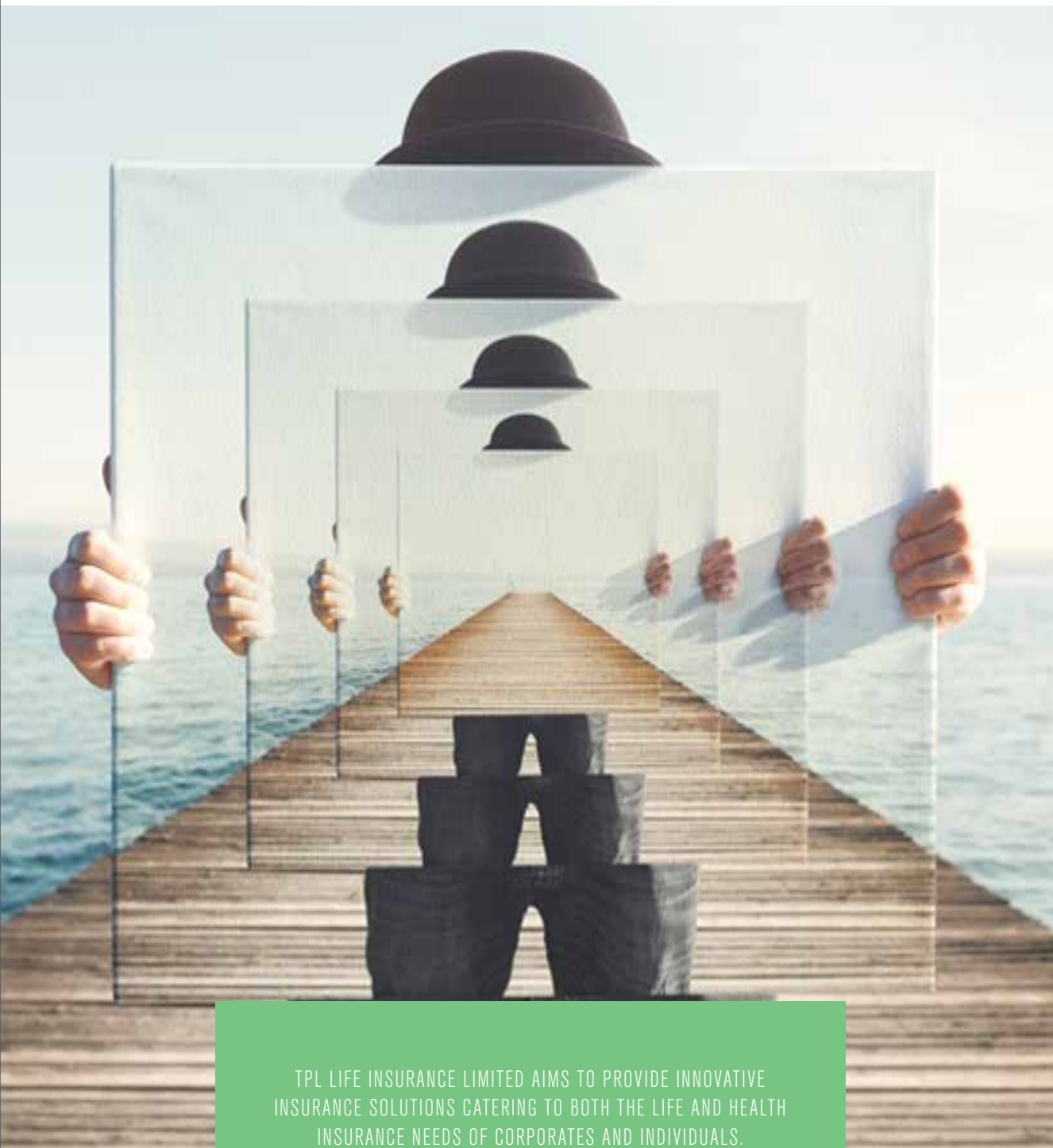


# PIONEERING POSSIBILITIES



TPL INSURANCE IS PAKISTAN'S FIRST DIGITAL INSURANCE COMPANY TO PIONEER A CONTACT CENTER AND WEB-BASED SERVICES. WITH THE PROMISE TO LODGE CLAIMS IN JUST 60 SECONDS AND TO PROCESS THEM IN 45 MINUTES, TPL INSURANCE UPHOLDS QUALITY SERVICE STANDARDS THROUGH HIGHLY TRAINED STAFF AND INNOVATIVE DIGITAL PRODUCTS AND SERVICES.

# CREATING ENDLESS OPPORTUNITIES



TPL LIFE INSURANCE LIMITED AIMS TO PROVIDE INNOVATIVE INSURANCE SOLUTIONS CATERING TO BOTH THE LIFE AND HEALTH INSURANCE NEEDS OF CORPORATES AND INDIVIDUALS. TECHNOLOGY, DIGITIZATION AND EASE ARE AT THE CORE OF EVERYTHING THAT TPL LIFE DOES, ENABLING US TO DELIVER AN UNMATCHABLE CUSTOMER EXPERIENCE.





# PUSHING BOUNDARIES



TPL MAPS IS THE FIRST DIGITAL MAPPING COMPANY OF PAKISTAN PROVIDING GIS-BASED SCALABLE SOLUTIONS TO BUSINESSES WITH THE AIM OF CONTRIBUTING DATA TO THE COMMUNITY. LICENSED BY THE SURVEY OF PAKISTAN, TPL MAPS HAS THE LARGEST LOCATION-BASED DATA AND OFFERS STATE-OF-THE-ART SYSTEMS EQUIPPED WITH THE LATEST TECHNOLOGY TO MAKE NAVIGATION FAST AND PRECISE.

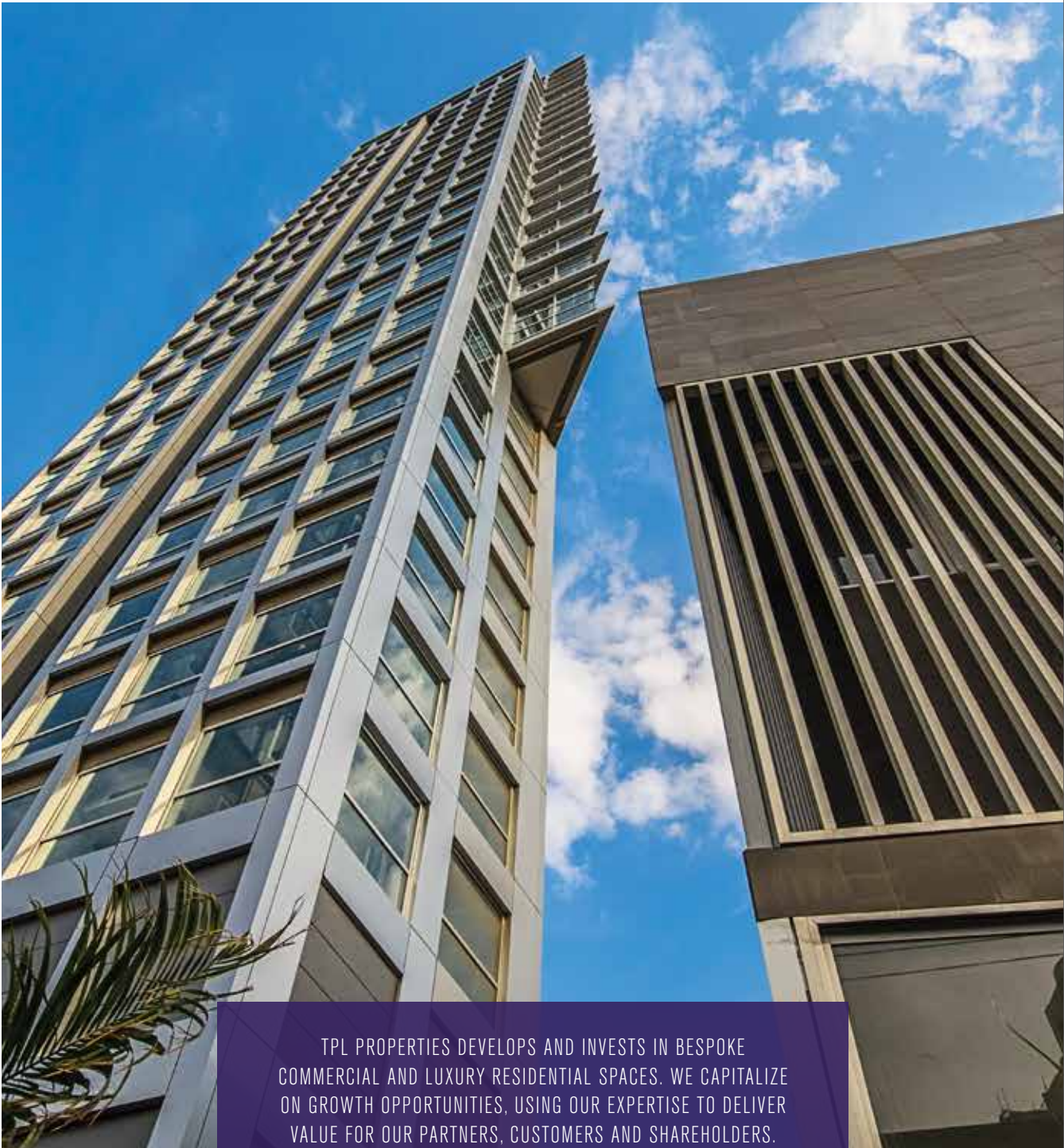
# EXPLORING THE UNKNOWN



FOR OVER 18 YEARS TPL TRAKKER LTD HAS BEEN A PIONEER IN THE GPS TRACKER INDUSTRY IN PAKISTAN. WE HELP OUR CUSTOMERS EXTRACT AND TURN DATA ABOUT VEHICLES AND THEIR USE INTO INTELLIGENCE THAT IMPROVES OPERATIONS AND SAFETY WHILE REDUCING COSTS AND RISKS. TRAKKER PROVIDES RELIABLE END-TO-END SOLUTIONS FOR INDIVIDUALS, COMMERCIAL FLEETS, BUSINESSES AND AUTOMOTIVE INDUSTRY SUPPLIERS.



# CULTIVATING CREATIVITY



TPL PROPERTIES DEVELOPS AND INVESTS IN BESPOKE COMMERCIAL AND LUXURY RESIDENTIAL SPACES. WE CAPITALIZE ON GROWTH OPPORTUNITIES, USING OUR EXPERTISE TO DELIVER VALUE FOR OUR PARTNERS, CUSTOMERS AND SHAREHOLDERS. CENTREPOINT WAS TPL PROPERTIES' FIRST PROJECT AND IS DESIGNED AS AN AVANT-GARDE COMMERCIAL WORKPLACE. ADHERING TO HIGH INTERNATIONAL STANDARDS OF DESIGN AND TECHNOLOGY IT IS A UNIQUE ADDITION TO KARACHI'S SKYLINE.

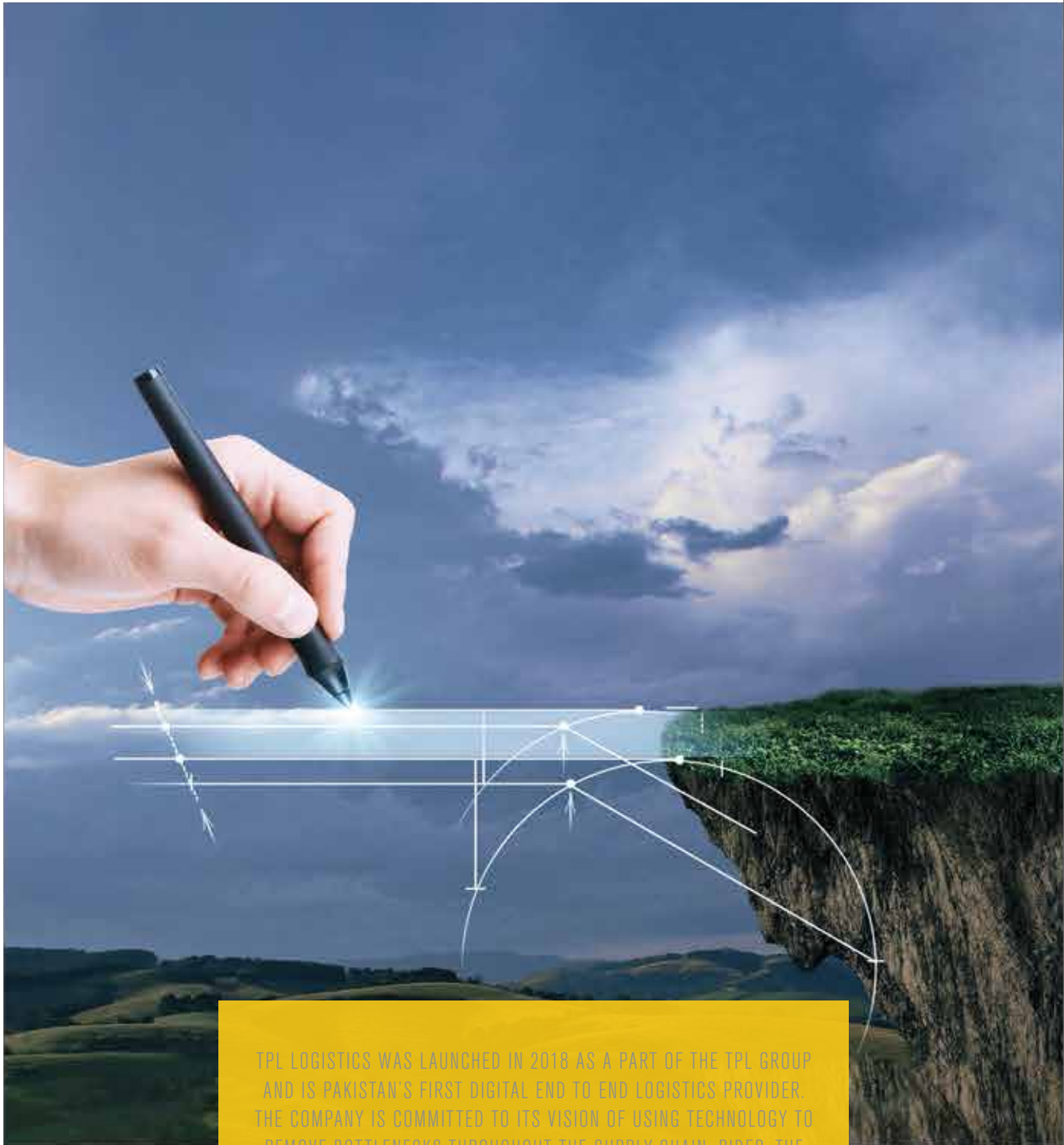
# INSPIRING THE UNEXPECTED



TPL E-VENTURES AIMS TO INVEST IN MULTIPLE STARTUPS ACROSS TECH ENABLED COMPANIES AT A PRE-SEED AND SEED LEVEL, WITH A VISION TO BUILD A WORLD CLASS PLATFORM FOR CATALYZING HIGH POTENTIAL ENTREPRENEURS. WE WOULD LIKE TO BE YOUR FIRST STRATEGIC INVESTOR TO PLAY AN ACTIVE ROLE AT EVERY STAGE OF YOUR COMPANY'S DEVELOPMENT.



# BRIDGING DISTANCES



TPL LOGISTICS WAS LAUNCHED IN 2018 AS A PART OF THE TPL GROUP AND IS PAKISTAN'S FIRST DIGITAL END TO END LOGISTICS PROVIDER. THE COMPANY IS COMMITTED TO ITS VISION OF USING TECHNOLOGY TO REMOVE BOTTLENECKS THROUGHOUT THE SUPPLY CHAIN. RIDER, THE FIRST INITIATIVE IN THE PRODUCT OFFERING, IS A LAST MILE DELIVERY SERVICE THAT USES ROUTE OPTIMIZATION, GPS DATA AND LIVE TRACKING TO DELIVER PRODUCTS WITH SPEED AND ACCURACY.



# RISING ABOVE



INCORPORATED IN 2015, TPL RUPIYA IS AN E-PAYMENTS COMPANY, OFFERING SOLUTIONS THAT FACILITATE PAYMENTS VIA BANKS, GOVERNMENT AND MOBILE ACCOUNT TRANSACTIONS. TPL RUPIYA'S PAYMENT ECOSYSTEM FACILITATES DAILY CONSUMER TRANSACTIONS AND ALLOWS MOBILE PHONE USERS TO PAY FOR GOODS AND SERVICES USING THEIR BANK ACCOUNT, MOBILE WALLET OR MOBILE PHONE ACCOUNT.

# ASSURING SAFETY



ESTABLISHED IN 2001 AS A LICENSED SECURITY COMPANY, TPL SECURITY SERVICES IS A PROGRESSIVE AND INNOVATIVE SECURITY SOLUTIONS PROVIDER, WITH UNPARALLELED CUSTOMER SERVICE. OUR EXECUTIVE PROTECTION INCLUDES MOBILE SQUADS, 24/7 OPERATIONS, AN IT-ENABLED CONTROL ROOM AND A HOST OF OTHER FEATURES THAT MAY BE CUSTOMIZED TO SUIT YOUR NEEDS.

 TPL Security Services

# OUR SUSTAINABILITY AGENDA

At TPL, we proactively integrate sustainability into our decision making processes. Dedicated to driving change, we are aligned with the goals of the United Nation's 2030 Agenda for Sustainable Development.

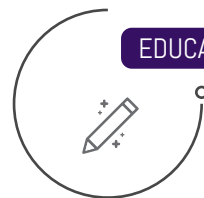
## OUR FOCUS AREAS



HEALTH

824,174

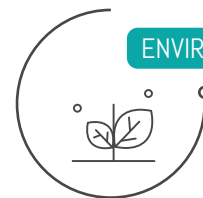
Beneficiaries provided with good health and well-being



EDUCATION

7,345

Beneficiaries provided with quality education



ENVIRONMENT

9,300

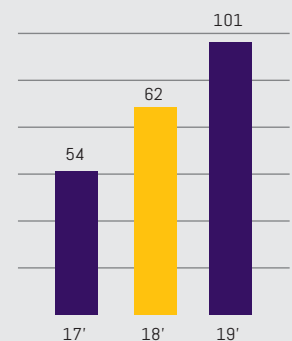
Agents of environmental change

## HEALTH AND WELL-BEING

We, at TPL, develop and initiate programs which work towards creating a healthy community.



Number of blood units drawn since three preceding years



### Blood Donation Drive

TPL promotes values of civic responsibility with its annual blood donation drive. This year, we were able to expand our initiative by partnering with The Indus Hospital and Pakistan Red Crescent Society to conduct the drive at our offices nationwide.

### Surgical Complex at Patients' Aid Foundation (PAF)

TPL has partnered with PAF to contribute to the development of a new surgical complex with state of the art medical facilities at Jinnah Post Graduate Medical Center.



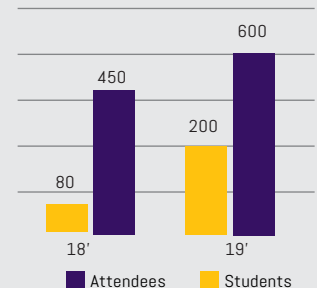
Rs. 40 Million contributed for development of Surgical Complex

70,000 Surgeries annually | 20 Operating Theatres  
420 Beds

### Fut'school League

Fut'school League is a TPL initiative organized to support the inclusion of the marginalized children of our society. It gives them a chance to be included as equals and take part in healthy competition.

Audience at Fut'school League



### Special Olympics Pakistan (SOP)

In 2019, SOP participated in the World Summer Games held in Abu Dhabi, with over 170 countries and 7,000 athletes participating. To support the philanthropic vision of inclusivity in sports, TPL sponsored Mr. Zohaib Ishfaq, an athlete from Pakistan to participate in the World Games.



Zohaib Ishfaq  
World Games Achievement

Gold Medal - 100m Relay Race  
Silver Medal - Athletics  
Bronze Medal - Shot put

# EMPOWERMENT THROUGH EDUCATION

TPL believes that every individual is entitled to have access to a quality education. From rendering infrastructural support, to promoting formal and technical education, our initiatives have multiplied over the years.



## Event Hall at Institute of Business Administration (IBA)

IBA is one of the best learning institutions in Pakistan since 1995. Over the years, TPL has been assisting the institute by providing state of the art facilities for its students. To support the institute's development in the physical and academic landscape, TPL donated Rs. 25 million for the infrastructural development of the Event Hall at IBA.



2000 students footfall per day

Impact of KB 19'  
The community  
3000 students  
200 teachers  
30 schools



## Karachi Biennale (KB) - Connecting the City, Art and its People

TPL believes in spreading awareness on social issues and has been sponsoring KB since its inception. This year, we are the exclusive sponsor of the "Educational Program" which will reach out to multiple schools. Through a series of art tours, it aims to bring the community together and focus on the theme of green ecosystems.

## Multipurpose Basketball Court at Habib University (HU)

We believe that physical education is as important as academic development. TPL has committed an amount of Rs. 12.7 million for the infrastructural development of the multipurpose basketball court at Habib University.



895  
Total sporting event  
footfall per year



111 children provided  
with educational opportunities

Over 36 schools supported  
through this initiative

## Children Education Benefit Policy

TPL, through its Children Education Benefit Policy, provides our low income employees' children with full academic scholarships every year.

## Family Educational Services Foundation (FESF) - Educating the Marginalized

In Pakistan, less than 5% out of 1 million children with hearing disabilities currently attend school. TPL has been assisting FESF, a non-profit educational organization, by investing in the educational development of these children and by providing them with the correct developmental tools.



Rs. 300,000  
provided as donations  
to support FESF Schools

42 children  
whose schooling expenses  
were covered in 2019

# ENVIRONMENTAL SUSTAINABILITY

Pakistan ranks seventh in the list of countries most vulnerable to climate change. TPL not only promotes a cleaner and greener Pakistan, but also aims to conserve energy through smart technologies.



## CENTREPOINT



Heat Recovery System which is facilitated by a gas generator for an uninterrupted independent power supply that maximizes conservation of energy



The plantation around Centrepoint is maintained by TPL where we have added a 1000 trees



Double glazed glass facade to reduce energy consumption



Energy efficient lighting and equipment which reduces energy by 20%



8,000+ Audience  
60+ Food Stalls  
3 Day Event  
78.5% Waste Recycled

In April 2019, TPL Properties partnered with WWF to organise Pakistan's first environment-friendly food festival in Karachi. It aimed to reduce food waste and raise awareness about responsible food disposal.



**PET Bottles**  
50 kg of PET bottles crushed into plastics for PET Recycling Industry



**Tin Cans**  
15 kg of tin cans deformed and compiled for tin recycling industry



**Wooden Material**  
45 kg cleaned, shredded and palletized for the wood industry



**Shoppers and Disposables**  
142 kg washed, dried and shredded for Refuse-Derived Fuel



**Juice, Milk & Tetra Packs**  
107 kg crushed and shredded for Refuse-Derived Fuel



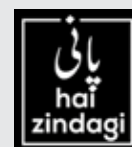
**165,000**  
plants have been planted since April 2019 (after the event) at various locations of Sonmiani, Sandspit & Ketu Bundar



**Food (Liquid & Organic Waste)**  
211 kg processed into compost and supplied to fertilizer industry

## ARTCHOWK PANI HAI ZINDAGI

TPL believes that CSR is a multi-dimensional platform, used to promote diverse environmental issues such as water conservation, climate change, resource efficiency and pollution prevention. We are proud to have sponsored the event "Pani Hai Zindagi" for the ArtChowk gallery. The event featured photographs from all over Pakistan and was held in collaboration with environmentalist Tofiq Pasha Mooraj.



**300+**  
People attended the event and received awareness about water conservation



# VALUE CREATION THROUGH HUMAN CAPITAL



## DIVERSITY AND INCLUSION

A key component of TPL's commitment to operate with integrity is to value and promote diversity and inclusion at our workplace. We ensure that we recruit people from varying backgrounds, religion, gender, ethnicity, culture, marital status, age or disability. We do not discriminate in salary or remuneration on the basis of gender. Various initiatives are being undertaken to enhance the representation of females at Senior Management Levels. Aiming to constitute an inclusive workforce, TPL supports the creation of job opportunities for differently abled persons.



1580

Total number of employees



1:15

Gender Diversity Ratio



2021 Goal

to increase female hiring



0.4%

Persons with disabilities (PWDs) out of current workforce

## TRAINING AND DEVELOPMENT

TPL is committed to creating a dynamic and inclusive workplace that fosters a healthy, highly engaged and skilled workforce where everyone can excel. We ensure that everyone working with us feels welcomed, supported and valued for their talents. To ensure the continuous growth of our employees in their professional endeavors, we regularly conduct training sessions which include both soft and technical trainings.



## HEALTH AND SAFETY AT THE WORKPLACE

Occupational health and safety management is an essential element of our sustainability practices. As a company, we are responsible for guaranteeing a workplace environment that is safe and healthy for everyone. Ensuring this is also vital to customers, suppliers, regulatory authorities and other stakeholders.

Working towards these goals, we are addressing occupational health and safety through effective policies as well as targeted training programs.



6 Fire Drills

conducted since 2017 to help employees prepare for fire hazard

# SCALING FOR IMPACT-WORKING IN PARTNERSHIP

Over the years, TPL has supported more than 40 nonprofit organizations and charitable trusts across Pakistan, ranging from local charities to international NGOs and universities.

We are committed to helping public sector institutions solve their most pressing challenges in education, health and environmental sustainability. In order to contribute to society, it is necessary to share the same principles and focus areas with our partners. Our selection and evaluation criteria takes aspects into consideration such as screening the organization's profile, their core values, scope of their past projects and their respective impact. Furthermore, once we choose partners and engage with them to conduct a CSR activity, we actively pursue the progress and impact of that initiative through the compilation of impact data. We respect our partners and work with them with a belief that mutual growth is based on mutual trust. By engaging in CSR initiatives we aim to become an agent of positive change.

We have developed these relationships with our partners and seek to develop new ones in the future, to understand the challenges being faced by our communities and where we can make collective change.

# HORIZONTAL ANALYSIS BALANCE SHEET

	2019	2018	2017	2016	2015	2014	Variance %
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Fixed Assets	2,760,068,510	2,214,071,587	1,799,520,629	1,305,464,831	1,321,226,709	675,354,820	35%
Intangible Assets	2,846,548,546	2,656,249,953	1,749,481,140	1,520,261,040	1,451,210,613	1,772,436,945	-1%
Investment Property	5,909,238,595	5,322,678,273	4,348,453,273	4,030,415,737	3,846,097,684	-	0%
Development property	1,265,142,970	1,090,147,420	888,738,740	-	487,176,150	773,175,902	0%
Long-term investments	99,847,459	-	536,285,330	506,417,217	57,384,444	126,945,250	6%
Long term loans	637,436	436,577	826,538	430,466	30,714,364	25,585,297	10152%
Long term deposits	54,887,344	69,917,932	45,518,147	36,207,905	70,288,697	-	46%
Deferred tax	148,297,825	125,769,341	83,451,967	71,458,824	-	12,448,394	0%
Interest Accrued	20,434,331	-	-	0%	0%	8,961,944	133%
Due from related parties	80,217,260	-	-	0%	-	236,915,721	74%
Stock-in-trade	267,410,363	326,691,767	357,216,927	294,125,367	253,413,777	663,276,164	35%
Trade debts	1,397,979,627	1,412,187,469	1,280,586,976	1,086,022,757	873,159,703	2,288,362	6%
Short-term investments	557,115,177	1,362,681,407	314,120,415	144,572,243	155,081,166	20,446,102	-81%
Loan and advances	385,175,061	172,837,318	28,989,687	33,126,089	70,421,589	66,112,179	8%
Trade deposits and prepayments	427,724,912	352,558,825	145,391,626	40,430,992	72,083,588	30,115,393	14%
Accrued mark-up	-	23,913,319	7,658,694	7,822,178	47,775,309	18,534,057	-24%
Other receivables	787,765,320	637,240,938	19,448,697	8,183,393	5,455,132	125,637,679	117%
Due from related parties	-	11,706,548	91,322,004	27,695,462	28,747,657	84,337,023	114%
Premium due but unpaid	-	-	61,284,561	-	-	-	100%
Deferred commission expense	169,248,562	124,090,599	-	0%	0%	-	100%
Taxation-net	179,807,632	162,290,955	181,497,171	110,111,218	67,322,910	-	100%
Cash and bank balances	772,349,445	952,449,798	490,104,431	927,774,474	261,706,141	113,611,956	110%
TOTAL ASSETS	18,129,896,374	17,017,920,016	12,347,706,953	10,210,520,193	9,042,455,053	4,801,132,591	
Issued, subscribed and paid-up capital	2,672,977,630	2,372,977,630	2,172,489,630	2,172,489,630	2,172,489,630	2,172,489,630	0%
Capital Reserve	60,855,762	60,855,762	-	-	-	-	0%
Revenue Reserve - unappropriated profit	230,753,382	559,609,454	548,301,049	533,816,997	901,176,240	364,746,329	46%
Surplus on revaluation of Fixed Assets	555,060,494	228,061,064	228,790,596	0%	0%	-	0%
Non-Controlling Interest	4,618,489,560	4,220,516,153	3,978,088,025	2,525,420,572	806,560,205	184,733,974	11%
Long term loan	148,888,890	308,133,420	290,277,330	50,653,413	121,666,672	-	-100%
Long term financing	2,472,910,025	3,287,127,280	2,523,542,514	2,748,866,809	2,380,324,831	279,829,529	100%
Deferred liabilities	6,570,650	6,206,490	11,729,338	10,738,080	16,137,601	19,237,082	-40%
Due to related Parties	0%	0%	-	-	383,451,093	-	0%
Provision for outstanding claims	0%	0%	-	0%	-	140,519,886	103%
Provision for unearned premium	0%	0%	-	0%	-	550,055,724	43%
Accrued mark-up	-	-	4,326,432	5,612,555	135,219,102	-	0%
Liabilities against assets subject to finance lease	52,145,571	504,016	10,975,935	30,217,506	61,959,628	17,652,009	318%
Trade and other payables	1,456,704,177	1,431,299,859	757,916,747	620,806,027	859,374,125	451,579,115	27%
Accrued mark-up	238,534,790	131,603,069	105,627,379	178,348,148	150,489,126	24,738,934	3%
Running finance under mark-up arrangements	988,025,014	939,871,844	876,719,637	420,965,430	278,890,459	412,519,367	-13%
Short-term financing	946,017,222	419,181,204	62,238,722	234,199,476	75,920,456	-	-100%
Due to related parties	1173,751,929	504,988,182	87,949,756	91,453,670	245,196,504	-	0%
Liabilities against insurance contracts	463,842,693	453,328,693	24,950,923	-	-	-	0%
Underwriting provisions	782,370,871	824,732,832	1,078,901	-	-	-	0%
Unclaimed dividend	3,307,473	1,747,962	3,000,000	0%	0%	-	0%
Unpaid dividend	3,000,000	3,000,000	0%	0%	-	-	0%
Taxation - net	-	-	-	-	-	-	0%
Current portion of non-current liabilities	1,209,038,572	1,226,350,997	492,142,691	451,312,032	384,527,132	22,182,529	100%
Advance monitoring fees	46,651,700	37,824,105	167,561,448	105,281,670	71,072,249	131,157,303	112%
TOTAL EQUITY AND LIABILITIES	18,129,896,374	17,017,920,016	12,347,706,953	10,210,520,193	9,042,455,053	4,801,132,591	-41%

# HORIZONTAL ANALYSIS PROFIT AND LOSS ACCOUNT

	2019		2018		2017		2016		2015		2014	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Turnover - net	4,323,877,490	25%	3,471,416,104	60%	2,188,433,363	6%	2,037,361,029	-6%	2,178,542,463	5%	2,084,621,786	28%
Cost of sales	(2,632,727,037)	34%	(1,960,688,714)	68%	(1,168,704,303)	26%	(929,332,914)	-29%	(1,301,779,283)	6%	(1,233,826,819)	28%
Gross profit	1,691,150,453	12%	1,510,727,390	51%	999,729,060	-10%	1,108,028,115	26%	876,763,180	3%	850,794,967	28%
Distribution expenses	(351,365,123)	24%	(282,607,965)	32%	(214,246,828)	-4%	(222,153,244)	-2%	(226,821,445)	-6%	(240,048,857)	41%
Administrative expenses	(1,225,753,879)	19%	(1,031,398,509)	106%	(501,505,198)	27%	(393,626,600)	-12%	(448,491,211)	1%	(443,340,079)	16%
Other operating expenses	(30,822,802)	-68%	(97,311,519)	7057%	(1,359,659)	-98%	(69,974,083)	-12%	(79,266,319)	1638%	(4,561,401)	28%
Operating profit	83,208,649	-16%	99,409,397	-65%	282,617,375	-33%	422,274,188	246%	122,184,205	-25%	162,844,630	48%
Finance costs	(740,582,208)	46%	(507,568,032)	52%	(334,819,965)	-9%	(369,731,356)	18%	(312,566,150)	278%	(82,788,331)	6%
Other Income	849,980,288	-26%	1,145,123,813	229%	348,374,235	48%	235,642,452	-65%	679,838,853	807%	74,922,124	13%
Share of profit from investment in associates - net	(11,491,773)	-13%	(13,147,234)	-178%	16,962,359	94%	8,732,144	-118%	(48,591,465)	-205%	46,104,498	100%
Profit before taxation	181,114,956	-75%	723,817,944	131%	313,134,004	5%	296,917,428	-33%	440,865,443	119%	201,082,921	70%
Taxation	(98,730,149)	66%	(59,569,819)	33%	(44,853,506)	-31%	(65,288,456)	-689%	11,084,839	-116%	(68,242,383)	110%
Profit / (Loss) after taxation	82,384,807	-88%	664,248,125	148%	268,280,498	16%	231,628,972	-49%	451,950,282	240%	132,840,538	55%
Other comprehensive income	351,575,905	-2952%	(12,325,742)	-105%	229,088,489	100%	-	-100%	449,706	247%	129,491	119%
Total comprehensive income	433,960,712	-33%	651,922,383	31%	497,368,987	115%	231,628,972	-49%	452,399,988	240%	132,970,029	56%

# VERTICAL ANALYSIS BALANCE SHEET

	2019			2018			2017			2016			2015			2014		
	Rupees	Variance %		Rupees	Variance %		Rupees	Variance %		Rupees	Variance %		Rupees	Variance %		Rupees	Variance %	
Fixed Assets	2,760,068,510	15.22%		2,214,071,587	13.01%		1,799,520,629	14.57%		1,305,464,831	12.79%		1,321,226,709	14.61%		675,354,820	14.07%	
Intangible Assets	2,846,548,546	15.70%		2,652,249,953	15.61%		1,749,481,140	14.17%		1,520,261,040	14.89%		1,451,210,613	16.05%		1,772,436,945	36.92%	
Investment Property	5,909,238,595	32.59%		5,322,678,273	31.28%		4,348,453,273	35.22%		4,090,415,737	40.06%		3,846,097,684	42.53%		-	0.00%	
Development property	1,265,142,970	6.98%		1,090,147,420	6.41%		888,738,740	7.20%		-	0.00%		-	0.00%		-	0.00%	
Long-term investments	99,847,459	0.55%		-	0.00%		536,285,330	4.34%		506,417,217	4.95%		487,176,150	5.39%		773,175,902	16.10%	
Long term loans	637,436	0.00%		436,577	0.00%		826,538	0.01%		430,466	0.00%		573,844	0.01%		126,945,250	2.64%	
Long term deposits	54,887,344	0.30%		69,917,932	0.41%		45,518,147	0.37%		36,207,905	0.35%		30,714,384	0.34%		25,585,297	0.53%	
Deferred tax	148,297,825	0.82%		125,769,341	0.74%		83,451,967	0.68%		71,458,824	0.70%		70,288,697	0.78%		-	0.00%	
Intrest Accrud	20,434,331	0.11%		-	0.00%		-	0.00%		-	0.00%		-	0.00%		12,448,394	0.26%	
Due from related parties	80,217,260	0.44%		-	0.00%		-	0.00%		-	0.00%		-	0.00%		8,961,944	0.19%	
Stock-in-trade	267,410,363	1.47%		326,691,767	1.92%		357,216,927	2.89%		294,125,367	2.88%		253,413,777	2.80%		236,915,721	4.93%	
Trade debts	1,397,979,627	7.71%		1,412,187,469	8.30%		1,280,586,976	10.37%		1,086,022,757	10.64%		873,159,703	9.66%		663,276,164	13.81%	
Short-term investments	557,115,177	3.07%		1,362,681,407	8.01%		314,120,415	2.54%		144,572,243	1.42%		155,081,166	1.72%		2,288,362	0.05%	
Loan and advances	385,175,061	2.12%		172,837,318	1.02%		28,989,687	0.23%		33,126,089	0.32%		70,421,589	0.78%		20,446,102	0.43%	
Trade deposits and prepayments	427,724,912	2.36%		352,558,825	2.07%		145,391,626	1.18%		40,430,992	0.40%		72,083,588	0.80%		66,112,179	1.38%	
Accrued mark-up	787,765,320	4.35%		23,913,319	0.14%		7,658,694	0.06%		7,822,178	0.08%		47,775,309	0.53%		44,949,403	0.94%	
Other receivables	-	0.00%		637,240,938	3.74%		19,448,697	0.16%		8,183,393	0.08%		5,455,132	0.06%		30,115,393	0.63%	
Due from related parties	-	0.00%		91,320,004	0.07%		91,320,004	0.07%		27,695,482	0.27%		28,747,657	0.32%		18,534,057	0.39%	
Premium due but unpaid	-	0.00%		11,706,548	0.00%		61,284,561	0.50%		-	0.00%		-	0.00%		125,637,679	2.62%	
Amount due from other insurer/reinsurer	-	0.00%		-	0.00%		-	0.00%		-	0.00%		-	0.00%		-	0.00%	
Reinsurance recoveries against outstanding claims	-	0.00%		-	0.00%		-	0.00%		-	0.00%		-	0.00%		-	0.00%	
Deferred commission expense	169,248,562	0.93%		124,090,599	0.73%		-	0.00%		-	0.00%		-	0.00%		84,337,023	1.76%	
Taxation- net	179,807,632	0.99%		162,290,955	0.95%		181,497,171	1.47%		110,111,218	1.08%		67,322,910	0.74%		-	0.00%	
Cash and bank balances	772,349,445	4.26%		952,449,788	5.60%		490,104,431	3.97%		927,774,474	9.09%		261,706,141	2.89%		113,611,956	2.37%	
<b>Total Assets</b>	<b>18,129,896,374</b>	<b>100%</b>		<b>17,017,920,016</b>	<b>100%</b>		<b>12,347,706,953</b>	<b>100%</b>		<b>10,210,520,193</b>	<b>100%</b>		<b>9,042,455,053</b>	<b>100%</b>		<b>4,801,132,591</b>	<b>100%</b>	
Issued, subscribed and paid-up capital	2,672,977,630	14.7%		2,372,977,630	13.9%		2,172,489,630	17.6%		2,172,489,630	21.3%		2,172,489,630	24.0%		2,172,489,630	45.2%	
Capital Reserve	60,855,762	0.3%		60,855,762	0.4%		-	0.0%		-	0.0%		-	0.0%		-	0.0%	
Revenue Reserve - unappropriated profit	230,753,382	1.3%		559,609,454	3.3%		548,301,049	4.4%		533,816,997	5.2%		901,176,240	10.0%		364,746,329	7.6%	
Non-Controlling Interest	4,618,489,560	25.5%		4,220,516,153	24.8%		3,978,088,025	32.2%		2,525,420,572	24.7%		806,560,205	8.9%		184,733,974	3.8%	
Surplus on revaluation of Fixed Assets	555,060,494	3.1%		228,061,064	1.3%		228,790,596	1.9%		-	0.0%		-	0.0%		-	0.0%	
Long term loan	148,888,890	0.8%		308,133,420	1.8%		290,277,330	2.4%		50,653,413	0.5%		121,666,672	1.3%		-	0.0%	
Long term financing	2,472,910,025	13.6%		3,287,127,280	19.3%		2,523,542,514	20.4%		2,746,866,809	26.9%		2,380,324,831	26.3%		279,829,529	5.8%	
Deferred liabilities	6,570,620	0.0%		6,206,490	0.0%		11,729,338	0.1%		10,738,080	0.1%		16,137,601	0.2%		19,237,082	0.4%	
Due to related Parties	-	0.0%		-	0.0%		-	0.0%		32,338,178	0.3%		383,451,093	4.2%		-	0.0%	
Provision for outstanding claims	-	0.0%		-	0.0%		-	0.0%		-	0.0%		-	0.0%		140,519,886	2.9%	
Provision for unearned premium	-	0.0%		-	0.0%		-	0.0%		-	0.0%		-	0.0%		550,055,724	11.5%	
Accrued mark-up	-	0.0%		-	0.0%		4,326,432	0.0%		5,612,555	0.1%		135,219,102	1.5%		-	0.0%	
Liabilities against assets subject to finance lease	521,455,571	0.3%		504,016	0.0%		10,975,935	0.1%		30,217,506	0.3%		61,959,628	0.7%		17,652,009	0.4%	
Trade and other payables	1,456,704,177	8.0%		1,431,299,859	8.4%		757,916,747	6.1%		620,806,027	6.1%		859,374,125	9.5%		451,579,115	9.4%	
Accrued mark-up	238,534,790	1.3%		131,603,069	0.8%		105,627,379	0.9%		178,348,148	1.7%		150,489,126	1.7%		24,738,934	0.5%	
Running finance under mark-up arrangements	988,025,014	5.4%		939,871,844	5.5%		876,719,637	7.1%		420,965,430	4.1%		276,890,459	3.1%		412,519,367	8.6%	
Short-term financing	946,017,222	5.2%		419,181,204	2.5%		62,238,722	0.5%		234,199,476	2.3%		75,920,456	0.8%		-	0.0%	
Due to related parties	1,173,751,929	6.5%		504,988,182	3.0%		87,949,756	0.7%		91,453,670	0.9%		245,196,504	2.7%		-	0.0%	
Liabilities against insurance contracts	463,842,693	2.6%		453,328,693	2.7%		24,950,923	0.2%		-	0.0%		-	0.0%		-	0.0%	
Underwriting provisions	782,370,871	4.3%		824,732,832	4.8%		-	0.0%		-	0.0%		-	0.0%		-	0.0%	
Unclaimed dividend	3,307,473	0.0%		1,747,962	0.0%		107,8801	0.0%		-	0.0%		-	0.0%		-	0.0%	
Unpaid dividend	3,000,000	0.0%		3,000,000	0.0%		3,000,000	0.0%		-	0.0%		-	0.0%		-	0.0%	
Taxation - net	-	0.0%		-	0.0%		-	0.0%		-	0.0%		-	0.0%		-	0.0%	
Current portion of non-current liabilities	1,209,038,572	6.7%		1,226,350,997	7.2%		492,142,691	4.0%		451,312,032	4.4%		384,527,132	4.3%		22,182,529	0.5%	
Advance monitoring fees	46,651,700	0.3%		37,824,105	0.2%		167,561,448	1.4%		105,281,670	1.0%		71,072,249	0.8%		131,157,303	2.7%	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,129,896,374</b>	<b>100%</b>		<b>17,017,920,016</b>	<b>100%</b>		<b>12,347,706,953</b>	<b>100%</b>		<b>10,210,520,193</b>	<b>100%</b>		<b>9,042,455,053</b>	<b>100%</b>		<b>4,801,132,591</b>	<b>100%</b>	



# VERTICAL ANALYSIS PROFIT AND LOSS ACCOUNT

	2019		2018		2017		2016		2015		2014	
	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %	Rupees	Variance %
Turnover - net	4,323,877,490	100%	3,471,416,104	100%	2,168,433,363	100%	2,037,361,029	100%	2,178,542,463	100%	2,084,621,786	100%
Cost of sales	(2,632,727,037)	-61%	(1,960,688,714)	-56%	(1,168,704,303)	-54%	(929,332,914)	-46%	(1,301,779,283)	-60%	(1,233,826,819)	-59%
Gross profit	1,691,150,453	39%	1,510,727,390	44%	999,729,060	46%	1,108,028,115	54%	876,763,180	40%	850,794,967	41%
Distribution expenses	(351,365,123)	-8%	(282,607,965)	-8%	(214,246,828)	-10%	(222,153,244)	-11%	(226,821,445)	-10%	(240,048,857)	-12%
Administrative expenses	(1,225,753,879)	-28%	(1,031,398,509)	-30%	(501,505,198)	-23%	(393,626,600)	-19%	(448,491,211)	-21%	(443,340,079)	-21%
Other operating expenses	(30,822,802)	-1%	(97,311,519)	-3%	(1,359,659)	0%	(69,974,083)	-3%	(79,266,319)	-4%	(4,561,401)	0%
Operating profit	83,208,649	2%	99,409,397	3%	282,617,375	13%	422,274,188	21%	122,184,205	6%	162,844,630	8%
Finance costs	(740,582,208)	-17%	(507,568,032)	-15%	(334,819,965)	-15%	(369,731,356)	-18%	(312,566,150)	-14%	(82,788,331)	-4%
Other Income	849,980,288	20%	1145,123,813	33%	348,374,235	16%	235,642,452	12%	679,838,853	31%	74,922,124	4%
Share of profit from investment in associates - net	(11,491,773)	-0.3%	(13,147,234)	-0.4%	16,962,359	1%	8,732,144	0%	(48,591,465)	-2%	46,104,498	2%
Profit before taxation	181,114,956	4%	723,817,944	21%	313,134,004	14%	296,917,428	15%	440,865,443	20%	201,082,921	10%
Taxation	(98,730,149)	-2%	(59,569,819)	-2%	(44,853,506)	-2%	(65,288,456)	-3%	11,084,839	1%	(68,242,383)	-3%
Profit after taxation	82,384,807	2%	664,248,125	19%	268,280,498	12%	231,628,972	11%	451,950,282	21%	132,840,538	6%

# CASH FLOW ANALYSIS

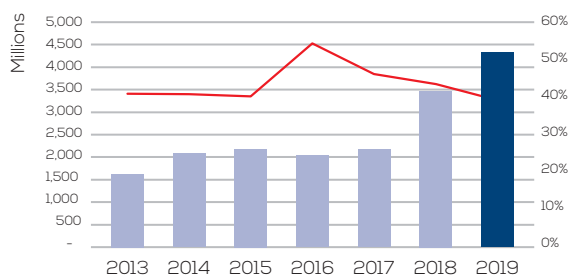
	2019	2018	2017	2016	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net profit before taxation	181,114,956	723,817,944	313,134,004	296,917,428	440,865,443	201,082,921
Adjustment for non cash charges and other items:						
Depreciation	317,836,993	197,437,309	173,540,920	159,005,045	169,123,738	138,507,531
Bad debts written off	-	-	-	-	15,643,056	5,395,423
Amortisation of intangible assets	102,735,340	74,649,674	54,076,217	57,667,501	43,829,792	43,295,742
Finance cost	740,582,208	507,568,032	334,819,965	369,731,356	312,566,150	82,788,331
Gain on sale of property and equipment	(4,572,085)	(16,454,245)	(3,691,013)	(2,055,305)	6,458,137	(5,209,062)
Valuation gain on Investment Property	(592,882,635)	(944,646,887)	(202,928,224)	(209,459,641)	(241,709,520)	-
Exchange loss / (gain) - net	29,953,692	17,280,153	588,438	-	70,703,190	(22,909,091)
Share of profit from investment in associates - net	11,491,773	13,147,234	(29,868,123)	(8,732,144)	48,591,465	(46,104,498)
Provision for bad debts	-	14,979,058	19,252,497	22,241,419	26,009,833	26,165,256
Loss on acquisition of TPL Insurance Limited	-	79,494,134	-	-	-	-
Reversal of provision for gratuity	364,130	(3,078,404)	-	-	-	-
Gain on Bargain Purchase	-	-	(86,282,392)	-	(9,552,414)	-
Gain on disposal of subsidiary	-	-	-	-	(321,024,922)	-
Deferred income	-	(2,444,444)	4,378,914	(5,399,521)	(2,699,267)	(7,632,110)
Allowance for Expected Credit Losses	25,678,986	-	-	-	-	-
Loss on investment in mutual fund	51,097,948	-	-	-	-	-
Unwinding of PTF	(4,604,005)	(3,641,717)	-	-	-	-
	<b>677,682,345</b>	<b>(65,710,103)</b>	<b>263,887,199</b>	<b>382,998,710</b>	<b>117,939,238</b>	<b>214,297,522</b>
Operating profit before working capital changes	<b>858,797,301</b>	<b>658,107,841</b>	<b>577,021,203</b>	<b>679,916,138</b>	<b>558,804,681</b>	<b>415,380,443</b>
(Increase) / decrease in current assets						
Stock-in-trade	(141,246,066)	30,525,160	(63,091,560)	(40,711,590)	(25,513,002)	(101,069,405)
Trade debts	(55,089,623)	(146,579,551)	(187,260,924)	(235,104,473)	(240,670,841)	(180,541,423)
Deferred commission expense	(45,157,963)	(18,513,632)	-	-	-	(44,940,569)
Loans and advances	(212,337,743)	146,500,801	4,136,302	37,295,500	(21,980,554)	87,241,482
Trade deposits and prepayments	(75,166,087)	(13,925,741)	(104,960,634)	31,652,596	(29,862,965)	(4,863,686)
Other receivables	(150,524,382)	(125,598,960)	(37,820,996)	(2,728,267)	(1,500,872)	(3,740,037)
Accrued markup	3,478,988	(15,591,611)	163,484	39,953,131	(47,320,169)	(3,283,001)
Premium due but unpaid	-	61,284,560	(61,284,560)	-	-	(67,752,204)
Due from related parties	(68,510,712)	(2,574,544)	18,563,457	1,052,195	(10,213,600)	881,788
	<b>(744,553,588)</b>	<b>(84,473,518)</b>	<b>(431,555,431)</b>	<b>(168,590,908)</b>	<b>(377,062,003)</b>	<b>(318,067,055)</b>
Increase / (decrease) in current liabilities						
Trade and other payables	25,404,318	407,273,023	166,438,338	(238,208,182)	271,547,299	99,626,466
Due to a related party	668,763,747	417,038,426	(35,842,092)	(504,855,749)	(60,859,269)	165,951,577
Liabilities against insurance contracts	10,514,000	181,409,223	-	-	-	-
Underwriting provisions	(42,361,961)	(24,612,215)	-	-	-	-
Claims Paid	-	-	-	-	-	71,379,471
Advance monitoring fees	8,827,594	(129,737,343)	62,279,778	34,209,421	(4,396,950)	(20,547,551)
Cash generated from operations	<b>785,391,411</b>	<b>1,425,005,437</b>	<b>338,341,796</b>	<b>(197,529,280)</b>	<b>388,033,758</b>	<b>413,723,351</b>
Receipts / (payments) for :						
Finance cost	(634,415,406)	(485,918,773)	(408,826,857)	(471,478,881)	(285,263,196)	(82,001,271)
Income taxes	(147,044,208)	(91,407,145)	(141,410,609)	(109,246,890)	(82,362,651)	(50,221,138)
	<b>(781,459,614)</b>	<b>(577,325,918)</b>	<b>(550,237,466)</b>	<b>(580,725,771)</b>	<b>(367,625,847)</b>	<b>(132,222,409)</b>
Net cash generated from operating activities	<b>3,931,797</b>	<b>847,679,519</b>	<b>(211,895,670)</b>	<b>(778,255,050)</b>	<b>20,407,911</b>	<b>281,500,942</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of - property and equipment	(185,960,989)	(318,283,111)	(409,261,102)	(87,211,500)	(99,116,737)	(141,350,346)
- capital work-in-progress	(50,888,577)	(261,014,678)	(23,271,293)	(66,921,983)	(72,914,888)	(182,238,024)
- intangible	(14,923,910)	(29,765,776)	(29,027,283)	(65,886,889)	(90,963,729)	(28,214,805)
- intangible assets under development	(278,110,023)	(231,496,244)	(253,695,713)	(60,831,039)	-	-
- investment property	(3,590,551)	(32,951,900)	-	(34,858,412)	(8,769,320)	-
- development property	(174,995,550)	(201,408,680)	-	-	-	-
Sale proceed from fixed assets	5,579,814	58,880,164	-	12,585,711	22,346,623	54,034,209
Long-term deposits	15,030,588	(15,377,273)	(9,310,242)	11,360,479	(44,464,950)	(8,043,421)
Long-term loans	(200,859)	389,961	(396,072)	143,378	(308,145)	(125,707,006)
Investments - mutual funds and listed securities	-	-	(139,680,059)	-	(78,157,300)	-
Long-term Investments	-	-	29,868,113	-	-	-
Proceed from disposal of investment	656,198,714	(1,225,935,477)	-	-	455,400,000	-
Net cash (used in) / generated from investing activities	<b>(31,861,343)</b>	<b>(2,256,963,014)</b>	<b>(834,773,651)</b>	<b>(291,620,255)</b>	<b>83,051,554</b>	<b>(431,519,393)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Obligation under finance lease repaid	(18,754,320)	(18,428,140)	(45,762,473)	(58,706,448)	(52,835,512)	(30,620,580)
	-	-	300,000,004	1,119,872,151	-	-
Dividend paid	(18,379)	(53,643,080)	-	-	-	-
Long-	(152,252,399)	127,165,543	320,920,256	(81,013,260)	188,000,000	(33,333,334)
Long term Financing - net	(856,134,888)	1,396,439,840	(220,083,852)	470,291,205	(47,675,318)	367,433,085
Short-term financing	526,836,018	356,942,482	(171,960,752)	158,279,020	75,920,456	(35,000,000)
Proceeds from issuance of ordinary right shares	300,000,000	-	-	-	-	-
Net cash generated (used in) / from financing activities	<b>(200,323,968)</b>	<b>1,808,476,645</b>	<b>183,113,183</b>	<b>1,608,722,668</b>	<b>163,409,626</b>	<b>268,479,171</b>
Net (decrease) / increase in cash and cash equivalents	<b>(228,253,514)</b>	<b>399,193,150</b>	<b>(863,556,138)</b>	<b>538,847,362</b>	<b>266,869,093</b>	<b>118,460,720</b>
Cash and cash equivalents at the beginning of the year	<b>42,446,056</b>	<b>(356,747,094)</b>	<b>506,809,044</b>	<b>(32,038,318)</b>	<b>(298,907,411)</b>	<b>(417,368,131)</b>
Cash and cash equivalents at the end of the year	<b>(185,807,458)</b>	<b>42,446,056</b>	<b>(356,747,094)</b>	<b>506,809,044</b>	<b>(32,038,318)</b>	<b>(298,907,411)</b>

# RATIO ANALYSIS PROFIT AND LOSS ACCOUNT

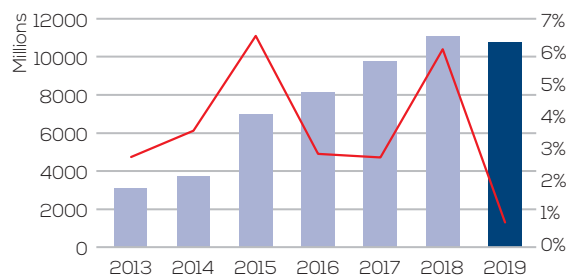
		2019	2018	2017	2016	2015	2014
<b><u>Profitability Ratios</u></b>							
Gross Profit to Sales	percent	<b>39%</b>	44%	46%	54%	40%	41%
Net Profit to Sales	percent	<b>2%</b>	19%	12%	11%	21%	6%
EBITDA Margin to sales	percent	<b>31%</b>	43%	40%	43%	44%	22%
Return on Equity	percent	<b>1%</b>	13%	4%	4%	12%	5%
Return on Capital Employed	percent	<b>1%</b>	6%	3%	3%	6%	4%
<b><u>Liquidity Ratios</u></b>							
Current Ratio	Ratio	<b>0.68</b>	0.93	1.12	1.27	0.89	1.31
Quick / Acid test ratio	Ratio	<b>0.64</b>	0.87	0.98	1.13	0.77	1.09
Cash to Current Liabilities	Ratio	<b>0.11</b>	0.16	0.19	0.44	0.13	0.11
Cashflow from Operations to sales	Ratio	<b>0.00</b>	0.24	-0.10	-0.38	0.01	0.14
<b><u>Activity/ Turnover Ratios</u></b>							
Inventory turnover	Number of times	<b>9</b>	6	4	3	5	7
No of days in inventory (Days)	Number of days	<b>41</b>	64	102	108	69	55
Debtor turnover	Number of times	<b>3</b>	3	2	2	3	4
No of days in Receivables (Days)	Number of days	<b>119</b>	142	199	175	129	101
Credit turnover	Number of times	<b>2</b>	2	2	1	2	3
No of days in Payables	Number of days	<b>200</b>	204	215	291	184	119
Operating cycle	Number of days	<b>-40</b>	1	86	-8	14	37
Total asset turnover	percent	<b>24%</b>	20%	18%	20%	24%	43%
Fixed assets turnover	percent	<b>157%</b>	157%	121%	156%	165%	309%
<b><u>Investment Valuation Ratios</u></b>							
Earning per Share	Ratio	<b>0.07</b>	0.07	0.09	0.29	1.54	1.52
<b><u>Capital structure Ratios</u></b>							
Financial leverage Ratio	Ratio	<b>0.89</b>	0.92	0.64	0.80	0.95	0.32
Debt Equity Ratio	Ratio	<b>0.33</b>	0.48	0.41	0.55	0.80	0.37
Interest cover Ratio	Ratio	<b>1.24</b>	2.43	1.94	1.80	2.41	3.43

# GRAPHICAL PRESENTATION OF KEY FINANCIAL RATIOS

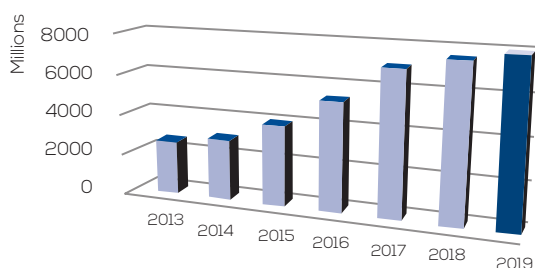
## Revenue vs Gross Profit



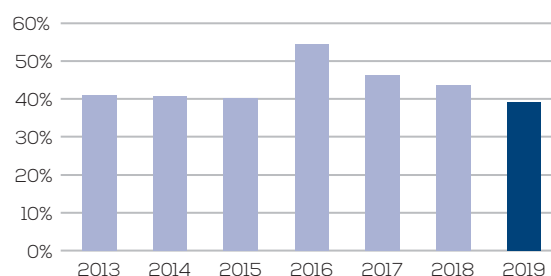
## Capital Employed vs Return



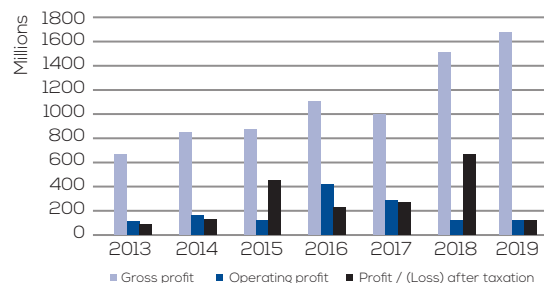
## Total Equity



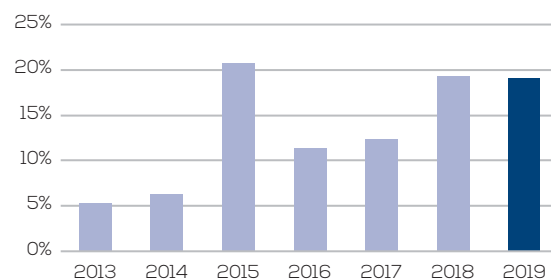
## Gross Profit



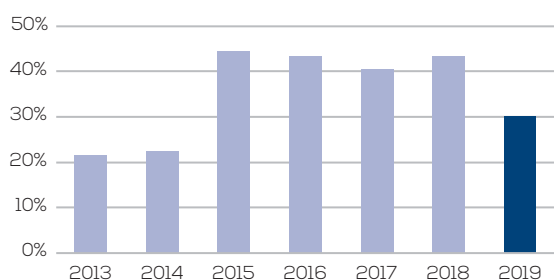
## Capital Employed vs Return



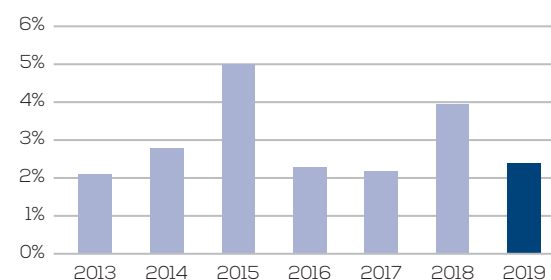
## Net Profit



## EBITDA Margin



## Return on Total Assets



# STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

## WEALTH GENERATED

Total revenue inclusive of sales tax other income  
Cost of Sales and services

## WEALTH DISTRIBUTION

### To Employees

Salaries, benefits and other costs

### To Government

Income tax, sales tax, excise duty and others

### To Society

Donation towards education, health and environment

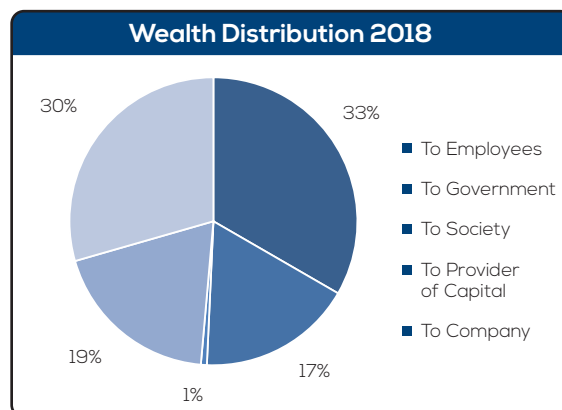
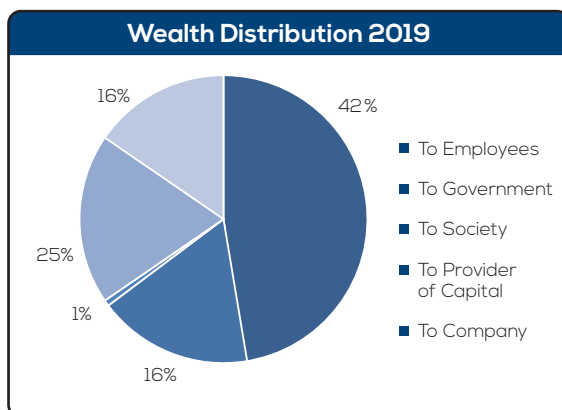
### To Provider of Capital

Dividend to shareholders  
Markup / Interest expenses on borrowed funds

### To Company

Depreciation, amortization & retained profit

2019 Amount in Rs	%	2018 Amount in Rs	%
5,532,346,513		5,051,059,757	
(2,622,368,532)		(2,130,287,299)	
<b>2,909,977,982</b>	<b>100%</b>	<b>2,920,772,458</b>	<b>100%</b>
1,219,348,349	42%	952,804,842	33%
468,710,657	16%	507,236,893	17%
42,580,491	1%	19,624,091	1%
-	0%	54,312,241	2%
725,767,008	25%	504,771,525	17%
453,571,476.30	16%	882,022,866.36	30%
<b>2,909,977,982</b>	<b>100%</b>	<b>2,920,772,458</b>	<b>100%</b>





# DIRECTORS' REPORT

On behalf of the Board of Directors of TPL Corp Limited, I am pleased to present the annual financial statements with the performance review of the Company for the year ended June 30th, 2019.

## 1. ECONOMIC OUTLOOK

According to the Economic Survey of Pakistan, GDP growth was only 3.29% during FY 2018-19 (target: 6.20%) and the country's GDP shrunk to \$238 billion. The inflation rate in FY 2018-19 averaged at 8.28%, resulting in the SBP increasing the interest rate to 12.25% by the end of June 2019 to dampen the rising inflation. The Pakistan Stock Exchange has had a volatile year during 2018-19 as the PKR depreciation continued to erode market capitalization. Furthermore, high inflation and interest rates have slowed down the overall corporate earnings growth. However, the fiscal and monetary measures taken by the Government are expected to improve macroeconomic indicators and earnings in the coming year.

During FY 2018-19, the automobile sector witnessed a shrinkage of 6.11% owing to PKR depreciation and certain restrictions on non-filers with respect to purchase of cars. However, this trend is likely to reverse as macro-economic condition improve.

## 2. FINANCIAL HIGHLIGHTS

During the period the Group's gross revenue – including Takaful surged to 5,747.77 million representing an increase of 27.4% as compared to the corresponding period. The Participant Takaful Fund generated a turnover of Rs 983.75 million for the period which is not consolidated due to regulatory requirements by the SECP, accordingly Group's consolidated gross revenue is Rs. 4,682 million depicting an increase of 19.9% compared to the previous corresponding period. Profit before tax stands at Rs. 181 million as compared to a profit before tax of Rs. 723 million to the same period in the corresponding year. The Group reported loss per share of Rs. 1.20 as compared to earnings per share of Rs. 0.05 in the corresponding period.

## 3. GROUP PERFORMANCE

A brief review of the Group's businesses is as follows:

### a. TPL Trakker Limited

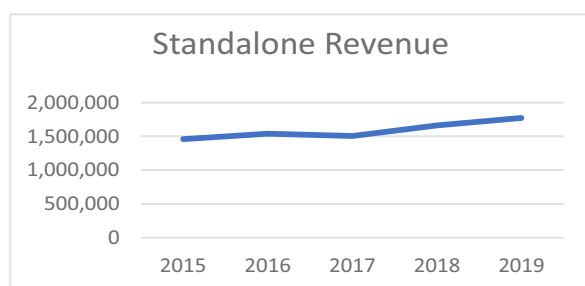
The Company achieved total Revenues of Rs 1.772 Billion demonstrating overall revenue growth of 7% over last year. Two new product lines were launched namely Industrial Internet

# DIRECTORS' REPORT

of Things (IIoT) and Vehicle Video Telematics and they contributed 3% to the topline this year. Their contribution is expected to increase manifold in coming years.

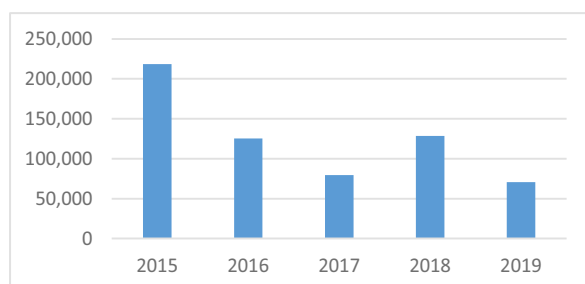
The Company's operating profit also increased by 8% but owing to higher interest rates the Company's finance cost increased by 38% and the net profit before tax reduced by 45%.

## Standalone Revenue:



Year	Revenue	Growth
2015	1,457,620	4%
2016	1,537,181	5%
2017	1,506,282	-2%
2018	1,660,647	10%
2019	1,771,865	7%
Rupees in thousands		

## Profit before Tax:



Year	PBT	Growth
2015	218,536	66%
2016	125,457	- 43%
2017	79,349	- 37%
2018	128,687	62%
2019	70,689	- 45%
Rupees in thousands		

## Future Outlook:

Strategy and focus areas

### Vehicle Video Telematics

We have introduced smart solutions for monitoring driver fatigue and generating in-cabin alerts along with real time reporting to the fleet manager in case driver fatigue is detected. Our system also monitors for distraction e.g. cell phone usage by the driver.

Our vehicle video telematics solutions are complementing our vehicle tracking business helping our existing customers improve the way their fleets operate by providing greater visibility and increase safety.

## **Industrial Internet of Things**

Utilizing our strengths developed in IoT applications within Transportation and Automotive Sectors we have now started expanding into the Industrial IoT sector. This year we launched our Smart Generator Monitoring Solution that helps our clients save fuel costs by reducing pilferage and optimizes usage by monitoring energy generation and consumption patterns.

## **New Solutions in Pipeline**

In addition to the Industrial Sector we are now actively working to develop new IoT solutions for the Agriculture Sector including Smart Irrigation Systems, Soil Health Monitoring and Smart Agriculture Solutions.

## **Organizational Development**

With more and more physical devices being connected to the internet through sensors we are seeing an explosion of data and TPL Trakker has set a clear vision to get maximum benefit from the upcoming 4th industrial revolution which is bringing a fusion of our digital and physical worlds.

We are strategically building data analytics capabilities within our ranks to help our existing customers get more value from their data e.g. predictive maintenance for vehicles. This capability is also expected to help us build analytics-based offerings on top of our industrial IoT solutions to help customers ensure maximum uptime of their industrial assets and minimize maintenance costs.

## **b. TPL Insurance Limited**

During the financial year, the Company reported gross written premium of Rs. 2,394 million (including window takaful operations) representing a decline of 2% over last year. The decline was mainly attributable to the motor segment that has faced unprecedented challenges during the year. An increase in discount rate, a ban on purchase of new vehicles by non-filers, and an increase in prices of vehicles due to Rupee devaluation all of which was a consequence of reduced demand in the auto sector for automobiles. During the year the Company continued to expand into the non-motor segment with gross written premium for the year reaching 330 million vs Rs. 306 million in prior year (including window takaful operations). During the year, our claim ratio improved to 36% compared to 40% in prior year, while investment income reported a loss of Rs. 18 million vs income of Rs. 18 million in the prior year due to fall in the stock market.

Given current challenges, the Company is focusing on other retail market segments including micro health insurance. The Company continues to invest in digitization initiatives of its underwriting and claims operations, which will result in cost efficiencies in the future. As a result of these initiatives and the decline in investment performance as highlighted above, the Company reported profit of Rs. 33 million, net off returns in Takaful and conventional

# DIRECTORS' REPORT

business (2018: the Company reported profit of Rs. 25 million). However, the Company reported loss before tax of Rs. 54 million (2018: Profit before tax of Rs. 27 million) in conventional business and a surplus of Rs. 87 million (2018: deficit of Rs. 15 million) in Participants' Takaful.

## **Future Outlook:**

The Company is focused on growth in the retail market segment as well as investing in digitalization initiatives to increase its outreach in the market. This, along-with diversification benefits through penetration into non-motor segment would significantly strengthen Company's position in future. We are confident that initiatives taken by the Government to improve foreign investments and GDP growth would bring economic stability and would supplement growth in the insurance industry. High interest rates, coupled with high automobile prices would impact auto insurance growth, but the Company is confident that it will improve its market share through product development, channel deepening and penetration through digitalization initiatives.

## **c. TPL Properties Limited**

During the financial year under review the Company maintained an occupancy rate of 98%. The Consolidated Revenue of the Company was PKR 597 million, an increase of 8% YoY, driven by upward revisions in rent, maintenance and utilities. Direct costs increased by 7% YoY from PKR 162 million to PKR 174 million. Administration expenses reduced by 5% from PKR 146 million to PKR 139 million, while finance cost increased by 25% from PKR 232 million to PKR 290 million due to an increase in KIBOR from 6.48% to 10.85% during the year. Other income stood at PKR 709 million, which mainly includes PKR 667 million gain on investment property recognized in P&L, resultantly, the company arrived at Profit before tax of PKR 702 million with EPS of PKR 2.07.

## **Future Outlook:**

The Market outlook seems positive for the real estate sector as the Country is benefiting from improved security environment, political stability & completion of major infrastructure projects. These benefits are attracting significant investments from domestic and international players in housing, hospitality and ware-housing sector.

On the development front, our One Hoshang project is geared towards completion of schematic design and is expected to hit the ground by 3rd quarter of FY20. On our developer services, which is a unique concept in Pakistan, the Company has been pre-qualified and has submitted proposals to a few leading corporates to provide them with turnkey development solution. The awarding of a contract for such development services is a time-consuming process since significant investment and approvals are required. However, we are hopeful of securing these opportunities for providing development services over the next few months. The new business line will add another revenue stream for the Company



and enhance value for our shareholders besides enriching our project portfolio.

The Company has been awarded a license to provide REIT Management Services as a Non-Banking Finance Company (NBFC) by the Securities and Exchange Commission of Pakistan. The Company plans to venture into the REIT Management business through its subsidiary TPL REIT Management Company Ltd. At present, the Company is in the process of aggregating Pakistan's prime real estate assets for its REIT portfolio. At the same time, we are also closely assessing the overall economic scenario including interest rate, market liquidity and valuations to move forward with the launch of REIT Scheme accordingly.

The Company is in the process of setting up a Logistics Park, a state of the art off-dock bonded warehousing facility. The JV agreement for the new venture has been executed with the other strategic partner. The process has been initiated, so site preparation and development of concept design is expected to become operational by FY 21.

#### **d. TPL Maps (Private) Limited**

The Company's revenue for the period is Rs. 99.07 million, an increase of 8% compared to the corresponding year resulting in a loss before tax of Rs. (68.70) million which was mainly due to the lower sales in automobile sector because of the Non-Filer issue.

TPL Maps is a high tech company specializing in navigation and mapping. It has developed an indigenous world class technology stack offering Location Based Services to Pakistani market. The maps digitized by TPL with significant investment in time, effort and human capital. These maps are of a high quality and provide accurate and detailed points of interest that can be used by variety of industry and customers.

The mapping and digitizing of the maps of Pakistan is an on-going exercise as the Points of Interests (POIs), roads networks and residential and commercial building are updated and recorded by TPL Maps. This fresh and detailed mapping of data powers the Location Based Services Platform. The company is using the LBS to develop customer specific and market demand software solutions. These include LBA (Location Based Advertising), DART (Dispatch Solution) & CPS (Commercial Planning Solution). As a result of superior software development and rich maps, we have successfully signed up a major local bike hailing and service provided. Similarly, there are other large and multinational enterprises from telecom, logistics and the food sector that have shown keen interest in the above mentioned solutions.

In order to monetize our spatial data, international mapping and navigation companies are in contact and datasets are under evaluation by major international players. We are likely to see significant revenue coming in from these deals within this financial year.

We have signed a Strategic Partnership agreement with HERE Technologies. The partnership opens the Middle Eastern and African market for us. As a strategic partner, we will work

jointly to 'Go to Market' and also develop cutting edge products and technology that will help us expand our business internationally as well as in Pakistan. In the initial phase we will be targeting the MENA (Middle East & North Africa) region to sell solutions with HERE.

The TPL MAPS app will remain our flagship B2C product which will increase our visibility in the public space. At the same time it will serve as a test bed for new services and tech testing. This will not only generate users and business leads but will also contribute towards the overall valuation of the business in the long term.

In-Car Navigation business, which was our primary revenue contributor, now resides under the software and solutions domain at TPL Maps. We intend to strongly grow this business and add on more OEM / users for the software. With the new partnership with HERE Technologies, we will be able to target international OEMs for Line-fit Pakistan navigation for imported cars like Audi, Mercedes and BMW

#### **Future Outlook:**

In relation to the above mentioned focus areas of business, we will venture into solutions for advertising, telco, retail and the logistics industries and by the Q3 this financial year we will roll out our offerings in the MENA market. Our strategic alliance with HERE Technologies, will allow us to expand TPL Maps into the MENA region. Both companies aim to meet the needs of the region's rapidly growing economies and middle-classes' increasing consumption of products and services.

We plan to do business in the UAE and leverage on existing customers base of a sister concern, Trakker Middle East (TME), which already operates in the UAE.

TPL Maps is also eyeing the use of new technologies and innovation in the GIS space. These include working on algorithms and specific IP related, but of not limited to Live Traffic monitoring, Roof top detection via satellite imagery and demographics layer to enrich the geospatial data and other similar global technologies.

#### **e. TPL Life Insurance Limited**

The first half of 2019 was a period of economic and political uncertainty, which coupled with negative performance of the equity market and devaluation of the Pak Rupee, impacted growth in life business' volumes and profitability.

The Gross Written Premium (GWP) during the year ended June 30, 2019 was Rs. 529 million which has improved by 31% as compared to Rs. 403 million for the corresponding year 2018. During the year, premium from corporate business were 452.6 million and from Retail business were Rs. 76.4 million compared to Rs. 358.7 million & Rs. 44.3 million respectively for the comparative period of 2018. This translates to a growth of 26% in the corporate business and 72% in the retail business over last year.

# DIRECTORS' REPORT

During the period, the Company had issued 10 million Right shares at Rs. 10 per shares to TPL Corp Ltd. to meet the solvency and working capital requirements.

The Company paid total health and life claims of Rs. 287.1 million during the period with health claims to the tune of Rs. 275.5 million and life insurance claims of Rs. 11.6 million.

The Company has a reinsurance arrangement with Hannover Re having been awarded "AA-" rating by Standard & Poor's. The management believes that the reinsurance support provides diversification of risk and depth to the underwriting capacity of the Company.

The Company has maintained IFS (Insurer Financial Strength) rating of Company A- (Single A minus) by PACRA.

The after tax loss for the year was Rs. 178.1 million (2018: Rs. 194.3 million). Reasons include building-up of the risk based solvency margin for the health and life business as well as startup and revamping cost for life and health insurance operations. Main costs include software and App developments and related IT and other operational cost.

The Company's Takaful line of business has contributed 9% of the total premium revenue and we are expecting that the contribution from Takaful line of business will increase in the coming year due to the inherent need of Shariah based Takaful solutions in the retail and corporate sectors.

## **Future Outlook:**

The economy of Pakistan is passing through a difficult phase. Fiscal discipline, stabilization of the equity market as well as interest rates, the stability of economic and taxation policies, and improved governance will ultimately lead to better economic growth. Whilst the measures being taken by the Government to document the economy are appreciable, these measures will take time to yield positive results.

The life insurance industry is facing various challenges, the most important of which is the imposition of provincial sales taxes on the business of life and health insurance as well as on commission of insurance agents. In a country like Pakistan with one of the lowest insurance penetrations in the world, the support from the Government for the development of the insurance sector will play a key role in increasing penetration and resolving the current issues being faced.

The life insurance sector has shown a slight decline in new business YoY growth due to its main reliance on bancassurance business and the overall economic slowdown. Exploring new channels and diversification in to new product offerings may provide a much needed boost to the Company.

For the retail line of business, the company will focus on increasing its digital footprint and will explore partnerships with digital platforms which will enable accelerated penetration as well

as diversification of risk. HBL Konnect, Bank Alfalah and Dawai.pk have been engaged for digital offerings.

The Corporate business will continue to focus on enhancing portfolio via supreme customer services and maintaining an edge via tech based solutions. The recent spike in medical inflation has resulted in increased competition in business retention but has also presented an opportunity for new players to challenge incumbents via efficient operations.

Through continuous evolution in products, services and insurtech platforms, TPL life has positioned itself to carve its niche among the existing club of life insurance players. With the support of its sister concerns and TPL Corp, the holding company and with prudent management, the hard work of the management will achieve further levels of success in the future.

## **f. TPL Security Services (Private) Limited**

TPL Security Services (Private) Limited performed well, with a revenue growth of 35% as compared to the same period last year. The increase in revenue can be attributed to the expansion of our customer base and the Company's constant efforts to explore new business opportunities.

### **Future Outlook:**

The emergence of professional private security agencies has given birth to the 'pluralisation of the police' and a public-private policing partnership. Private security has not only reduced the state's monopoly on security coverage, but it has also distributed the financial burden of the state. Furthermore, private security has also injected a sense of responsibility into private corporate and industrial sectors. In countries where the private security sector has attained professional maturity, such agencies are being integrated into the mainstream security apparatus.

### **Strategy and focus areas**

The key strategy for TPL Security Services is to build their operations and marketing around corporate sector, industrial sector, Malls, Schools, buildings, retail stores and specialist Security Escort/close protection. To achieve this strategy, TPL Security Services will:

- Train guards for permanent check-in, patrol, and surveillance positions
- Weapon handling and firing practice
- Discipline and turnout
- branding
- Use advertising and targeted lists to locate and market to these customer markets



- Focus specifically on guard services and high-level consulting audits,

## **Competitive Edge**

TPL Security Services will build a competitive edge through high levels of customer service and assurance providing unparalleled security. The Company will strive to not be a broker between clients and contracted security guards, as some security guard providers become, but instead be a partner in the security and protection of client's assets, with security guards as a major tool in that protection.

## **g. TPL e-Ventures**

Incorporated in November 2017, TPL e-Ventures (Private) Limited aims to invest in multiple startups across industries at a pre-seed and seed level in order to help them grow; unlocking increasing valuations of the shareholding. To date, the company has made three overseas investments in early stage technology startups under the following brands: KarloCompare, Tello Talk and Rider. Though nascent and extremely challenging; the early-stage businesses in Pakistan have faced a number of challenges brought on by external economic factors. These externalities include but are not limited to volatility on digital lead conversion costs due to the dollar rate increase, challenging fundraising environment for venture capital and increase in interest rates. Furthermore, as a result of rising costs there is a focus on cost-efficiency measures across the board which is fueling disinterest to invest in new systems and digital processes.

Currently, the team is working with the portfolio companies to solve growth and fund raising related challenges. Furthermore, we have build a clear funnel. This generates a steady deal flow to assess possible investment opportunities, find channel partner relationships with other TPL Corp entities and provide access to our co-investment/funding partners.

### **Future Outlook:**

#### **Strategy and Focus Areas**

Moving forward, TPL e-Ventures will be working closely with incubators, accelerators, investors and other stakeholders to position itself as a thought leader and shape the narrative of Pakistan's start-up eco-system. The focus will be on maturing existing portfolio companies while continuing to identify high-growth opportunities for investment and work on incubating ideas that can be executed via TPL Corp or strategic/JV partners.

## **h. TPL Rupiya (Private) Limited**

TPL Rupiya (TPLR) has a firm determination for creating value through technological innovations and lead the nation in this digital era. After launching the first ever e-ticketing solution for transportation in Pakistan, for Lahore Transport Company (LTC) via its mobile

# DIRECTORS' REPORT

payment platform, TPL Rupiya not only won the similar mandates for Bahawalpur Lodhran Transport and Bandial but was also proudly nominated a pre-qualified solution provider for Green line and Orange line bus projects. TPL Rupiya further envisions to extend its service reach across the transportation industry.

TPL Rupiya also joined hands with UBL Omni to introduce cashless payment experience for its mass transit customers. LTC Customers can visit UBL Omni agent and open their m-wallet accounts and get an NFC (Near Field Communication) enabled tag/card for making their daily commute payments.

With another first of its kind "Tap n Pay" solution, customers can make swift, convenient and secure payments by tapping their NFC cards on the mobile device (installed on the bus) for card authorization and ticket issuance.

## **Future Outlook:**

To transform the public transportation system (long haul) by providing state-of-the-art technology to control and manage their business operations. With this transformation, transporter will be able to increase their commuter base, get the visibility / tracking services of the buses, reduced the operational cost, plan the routes and control pilferage, whereas the passengers will get online visibility through mobile or web interface.

## 4. INTERNAL CONTROL SYSTEM

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 5. CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term entity rating of "A" (Single A) and short-term entity rating of A1 (A one) to TPL Corp Limited. These rating indicate a stable outlook and high credit quality.

## 6 KEY FINANCIAL DATA FOR THE LAST SIX YEARS

	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees
<b>Balance Sheet</b>						
Paid - up capital	2,672,978	2,372,978	2,172,490	2,172,490	2,172,490	2,172,490
Capital Reserve	60,856	60,856	-	-	-	-
Revenue Reserve						
unappropriated profit	230,753	559,609	548,301	533,817	901,176	364,746
Surplus on revaluation of Fixed Assets	555,060	228,061	228,791	-	-	-
Non-Controlling Interest	4,618,490	4,220,516	3,978,088	2,525,421	806,560	184,734
Advance against sale of shares	-	-	-	-	-	-
<b>Total Equity</b>	<b>8,138,137</b>	<b>7,442,020</b>	<b>6,927,669</b>	<b>5,231,727</b>	<b>3,880,226</b>	<b>2,721,970</b>
Long Term Loan and Short financing	5,817,025	6,181,169	4,255,897	3,934,215	3,301,289	841,158
Due to Related Party	1,173,752	504,988	87,950	123,792	628,648	-
Other Liabilities	3,000,982	2,889,743	1,076,191	920,786	1,232,292	1,238,005
<b>Total Liabilities</b>	<b>9,991,760</b>	<b>9,575,900</b>	<b>5,420,038</b>	<b>4,978,793</b>	<b>5,162,229</b>	<b>2,079,163</b>
<b>Total Assets</b>						
Investment	7,831,344	7,775,507	6,087,598	4,741,405	4,488,355	775,464
Fixed Assets	2,760,069	2,214,072	1,799,521	1,305,465	1,321,227	675,355
Other non-current Assets	3,050,371	2,852,374	1,879,278	1,628,358	1,552,788	1,946,378
Trade Debts	1,397,980	1,412,187	1,254,031	1,086,023	873,160	663,276
Stock	267,410	326,692	357,217	294,125	253,414	236,916
Other current Assets	2,050,373	1,484,639	479,958	227,369	291,806	390,132
Cash and Bank Deposits	772,349	952,450	490,104	927,774	261,706	113,612
<b>Total Assets</b>	<b>18,129,896</b>	<b>17,017,920</b>	<b>12,347,707</b>	<b>10,210,520</b>	<b>9,042,455</b>	<b>4,801,133</b>

# DIRECTORS' REPORT

	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees
Turnover - net	4,323,877	3,471,416	2,168,433	2,037,361	2,178,542	2,084,622
Cost of sales	(2,632,727)	(1,960,689)	(1,168,704)	(929,333)	(1,301,779)	(1,233,827)
Gross profit	1,691,150	1,510,727	999,729	1,108,028	876,763	850,795
Distribution expenses	(351,365)	(282,608)	(214,247)	(222,153)	(226,821)	(240,049)
Administrative expenses	(1,225,754)	(1,031,399)	(501,505)	(393,627)	(448,491)	(443,340)
Other operating expenses	(30,823)	(97,312)	(1,360)	(69,974)	(79,266)	(4,561)
Operating profit	83,209	99,409	282,617	422,274	122,184	162,845
Finance costs	(740,582)	(507,568)	(334,820)	(369,731)	(312,566)	(82,788)
Other Income	849,980	1,145,124	348,374	235,642	679,839	74,922
Share of profit from investment in associates - net	(11,492)	(13,147)	16,962	8,732	(48,591)	46,104
Exchange loss	-	-	-	-	-	-
Profit before taxation	181,115	723,818	313,134	296,917	440,865	201,083
Taxation	(98,730)	(59,570)	(44,854)	(65,288)	11,085	(68,242)
Profit / (Loss) after taxation	82,385	664,248	268,280	231,629	451,950	132,841
Other comprehensive income	351,576	(12,326)	229,008	-	450	129
Total comprehensive income	433,961	651,922	497,368	231,629	452,400	132,970
EPS	(1.20)	0.05	0.09	0.29	1.54	0.53

## 7 AUDITORS

M/s EY Ford Rhodes, Chartered Accountants retire and offer themselves for reappointment. The Board of Director has recommended their appointment as auditors for the year ending June 30, 2020 at a fee to be mutually agreed.



## 8 DIRECTORS' TRAINING

As required under 5.19.7 of the Pakistan Stock Exchange Listing Regulations and Regulation 20 of Listed Companies Code of Corporate Governance, 2017 the Company has duly complied with the requirement of the Directors Training Program.

## STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify that:

- The financial statements prepared by the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under the Companies Act 2017.
- The Company has followed consistently appropriate accounting policies in the preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standard as applicable in Pakistan has been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented monitored.
- Fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The Company has followed the best practices of the Corporate Governance as laid down in the Listing Regulations of the stock exchanges and there has been no material departure there from.
- Key operating and financial data for the last six years in summarized form, is included in this annual report.
- The value of investments out of provident fund on the basis of audited accounts as on June 30, 2019 is Rs. 104.7 million.

## 9 PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at June 30, 2019 is as follows:

Shareholder's Category	Number of shares	Percentage of shareholding
Associated Companies	166,680,748	62%
Banks, DFI & NBFI	10,880,500	4%
Insurance Companies	35,000	0.01%
Mutual Funds	3,305,500	1%
General Public (Local)	77,767,627	29%
General Public (Foreign)	3,499,640	1%
Others	5,000,748	2%
Modarabas	128,000	0.05%
<b>Total</b>	<b>267,297,763</b>	<b>100</b>

Pattern of holding of shares held by the shareholders of the Company as at June 30, 2019:

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
290	1	100	3550	0.0013
593	101	500	290213	0.1086
638	501	1000	628019	0.2350
1494	1001	5000	4508940	1.6869
644	5001	10000	5418660	2.0272
260	10001	15000	3397143	1.2709
180	15001	20000	3366896	1.2596
136	20001	25000	3244486	1.2138
80	25001	30000	2284000	0.8545
58	30001	35000	1950301	0.7296
44	35001	40000	1714000	0.6412
28	40001	45000	1205738	0.4511
56	45001	50000	2775803	1.0385
20	50001	55000	1060000	0.3966
11	55001	60000	646000	0.2417
11	60001	65000	694000	0.2596
13	65001	70000	882736	0.3302
13	70001	75000	952500	0.3563
13	75001	80000	1020500	0.3818
5	80001	85000	418000	0.1564
5	85001	90000	443500	0.1659
5	90001	95000	461000	0.1725
30	95001	100000	2994877	1.1204
5	100001	105000	520000	0.1945
6	105001	110000	653500	0.2445
4	110001	115000	458000	0.1713
3	115001	120000	357500	0.1337
7	120001	125000	875000	0.3274
3	125001	130000	383500	0.1435

# DIRECTORS' REPORT

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
2	130001	135000	263500	0.0986
4	135001	140000	558500	0.2089
5	140001	145000	711000	0.2660
6	145001	150000	897000	0.3356
1	150001	155000	153000	0.0572
5	170001	175000	875000	0.3274
2	180001	185000	370000	0.1384
2	185001	190000	373000	0.1395
2	190001	195000	386000	0.1444
9	195001	200000	1797000	0.6723
3	205001	210000	623000	0.2331
1	215001	220000	218000	0.0816
3	220001	225000	669000	0.2503
2	225001	230000	456500	0.1708
1	230001	235000	233500	0.0874
1	240001	245000	242000	0.0905
7	245001	250000	1748000	0.6540
3	255001	260000	774500	0.2898
1	275001	280000	278000	0.1040
1	290001	295000	295000	0.1104
4	295001	300000	1200000	0.4489
1	315001	320000	318000	0.1190
2	325001	330000	658500	0.2464
1	330001	335000	332000	0.1242
1	345001	350000	347000	0.1298
2	355001	360000	717500	0.2684
2	365001	370000	732000	0.2739
2	375001	380000	753000	0.2817
1	380001	385000	383500	0.1435
1	385001	390000	385500	0.1442
1	390001	395000	394000	0.1474
1	395001	400000	400000	0.1496
1	415001	420000	417500	0.1562
1	425001	430000	426500	0.1596
1	440001	445000	445000	0.1665
1	465001	470000	468000	0.1751
1	485001	490000	490000	0.1833
5	495001	500000	2500000	0.9353
1	510001	515000	514000	0.1923
1	520001	525000	525000	0.1964
1	550001	555000	550500	0.2060
1	580001	585000	584500	0.2187
1	595001	600000	600000	0.2245
1	645001	650000	649500	0.2430
1	655001	660000	659500	0.2467
1	695001	700000	700000	0.2619
1	715001	720000	717500	0.2684
1	785001	790000	790000	0.2956
1	895001	900000	900000	0.3367
1	1015001	1020000	1018500	0.3810
1	1040001	1045000	1040500	0.3893
1	1220001	1225000	1225000	0.4583
1	1245001	1250000	1250000	0.4676
1	1295001	1300000	1300000	0.4863
1	1395001	1400000	1400000	0.5238
1	1415001	1420000	1417500	0.5303
1	1460001	1465000	1465000	0.5481
1	1655001	1660000	1660000	0.6210
1	1800001	1805000	1802000	0.6742
1	2080001	2085000	2083000	0.7793
1	3410001	3415000	3412000	1.2765
1	3995001	4000000	3998500	1.4959
1	5145001	5150000	5150000	1.9267
1	35005001	35010000	35009900	13.0977
1	129975001	129980000	129977501	48.6265
<b>4772</b>	<b>Company</b>	<b>Total</b>	<b>267297763</b>	<b>100.0000</b>

# DIRECTORS' REPORT

## 9 ADDITIONAL INFORMATION

Associated Companies, Undertaking and Related Parties (name wise details)	No of shares held (2019)
TPL HOLDINGS (PRIVATE) LIMITED	166,680,401
TRUSTEE TPL DIRECT INSURANCE LTD -EMPLOYEES PROVIDENT FUND	347
Mutual Funds (name wise details)	
ARIF HABIB LIMITED	1,660,000
ASDA SECURITIES (PRIVATE) LIMITED - MF	40,000
AXIS GLOBAL LIMITED - MF	55,000
CDC - TRUSTEE AKD OPPORTUNITY FUND	385,500
JS GLOBAL CAPITAL LIMITED - MF	7,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD.	200,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES(P)LTD - MF	140,000
MRA SECURITIES LIMITED - MF	218,000
N. U. A. SECURITIES (PRIVATE) LIMITED - MF	1,500
PEARL SECURITIES LIMITED - MF	229,000
STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF	207,500
TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND	50,000
WATEEN TELECOM LIMITED STAFF GRATUITY FUND	100,000
DAWOOD EQUITIES LIMITED - MF	12000
Directors, CEO and their Spouse and Minor Children (name wise details)	
<p>Following directors are nominee director of TPL Holdings (Private) Limited and do not have any shares of the Companyas of June 30, 2019.</p> <p>MR. JAMEEL YUSUF</p> <p>MR. BILAL ALIBHAI</p> <p>Following directors are the independent director of the Company and do not have any shares of the Company as of June 30, 2019.</p> <p>MR. NADEEM ARSHAD ELAHI</p> <p>MR. Mark Rousseau</p> <p>Following directors are the executive directors of the Company and do not have any shares of the Company as of June 30, 2019.</p> <p>MR. MUHAMMAD ALI JAMEEL</p> <p>MS. SABIHA SULTAN</p> <p>Following non-executive directors of the Company have shares of the Companyas of June 30, 2019 as follows:</p> <p>MR. ZAFAR-UL-HASSAN NAQVI</p> <p>MR. MUHMMAD SHAFI</p>	<p>500</p> <p>1</p>
Details of trading in the shares by the directors, CEO, CFO, Company Secretary, and their spouses and minor Children	
NONE OF DIRECTORS, CEO, CFO, COMPANY SECRETARY, AND THEIR SPOUSES AND MINOR CHILDREN HAS TRADED IN THE SHARES OF THE COMPANY DURING THE YEAR.	

# DIRECTORS' REPORT

## 11 BOARD MEETINGS

The Board of Directors held 6 meetings during the financial year. Attendance of Directors is indicated below:

Name of Director	Meetings Attended
Mr. Jameel Yusuf (S. St.)	5
Mr. Ali Jameel (CEO)	6
Vice Admiral ( R ) Muhammad Shafi HI ( M )	6
Mr. Mark Dean Rousseau	6
Ms. Sabiha Sultan	4
Mr. Nadeem Arshad Elahi	5
Major General ( R ) Zafar-Ul-Hassan Naqvi	4
Mr. Bilal Alibhai	5

## 12 ACKNOWLEDGEMENT

We would like to thank the shareholders of the Company for the confidence they have placed in us. We also appreciate the valued support and guidance provided by the Securities and Exchange Commission of Pakistan, Federal Board of Revenue and the Pakistan Stock Exchange. We would also express our sincere thanks to the employees, strategic partners, vendors, suppliers and customers for their support in pursuit of our corporate objectives.



ALI JAMEEL  
CHIEF EXECUTIVE OFFICER



JAMEEL YUSUF (S.ST.)  
DIRECTOR



# ڈائریکٹر رپورٹ

میرے لئے یہ باعث مسرت ہے کہ ٹی پی ایل کارپوریشن لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں ۳۰ جون، ۲۰۱۹ کو ختم ہونے والے مالی سال کے لئے کمپنی کے کارکردگی جائزہ کے ساتھ سالانہ مالیاتی اسٹیٹمنٹ پیش کروں۔

## ۱. اقتصادی جائزہ۔

پاکستان کے اقتصادی سروے کے مطابق، مالی سال ۱۹-۲۰۱۸ میں جی ڈی پی کی شرح ۳.۲۹ فیصد (ہدف: ۶.۲۰ فیصد) تھا اور ملک کا جی ڈی پی سیکٹر کا ۲۳.۸۵ ارب ہو گیا۔ مالی سال ۲۰۱۸-۱۹ میں افراط زر کی شرح ۸.۲۸ فیصد اوسط سے اوپر رہی، جس کے نتیجے میں اسٹیٹ بینک نے سود کی شرح کو جون ۲۰۱۹ کی اخیر تک ۱۲.۲۵ فیصد تک بڑھا دیا تاکہ بڑھتی ہوئی افراط زر کو قابو لایا جاسکے۔ پاکستانی روپے کی مسلسل گرتی قدر کی وجہ سے پاکستان اسٹاک ایکسچینج کیلئے مالی سال ۱۹-۲۰۱۸ بڑا غیر مستحکم رہا اور مارکیٹ سے کپینٹلائزیشن کو کم کرتا رہا۔ مزید برآں، بڑھتی افراط زر اور شرح سود نے کارپوریٹ سیکٹر کی مجموعی آمدنی میں سست روی پیدا کر دی ہے۔ تاہم، حکومت کی جانب سے اٹھائے گئے مالی اور مالیاتی اقدامات سے توقع کی جارہی ہے کہ آنے والے سال میں معاشی صورتحال اور آمدنی میں بہتری آئے گی۔

مالی سال ۱۹-۲۰۱۸ کے دوران، آٹوموبائل سیکٹر میں پاکستانی روپے کی قدر میں کمی اور کاروں کی خریداری کے سلسلے میں نان فائلر پر کچھ پابندیوں کی وجہ سے ۶.۱۱ فیصد کی کمی واقع ہوئی۔ تاہم، میکرو معاشی حالت بہتر ہونے کے ساتھ ہی اس رجحان میں بہتری کا قوی امکان ہے۔

## ۲. مالیاتی جھلکیاں۔

اس مدت کے دوران گروپ کی مجموعی آمدنی تکافل سمیت ۷.۷۷، ۵.۷۷ ملین ہو گئی جو کہ پچھلے مالی سال کی نسبت ۲.۷۴ فیصد اضافی ہے۔ تکافل فنڈ نے اس مدت کے لئے ۷.۷۷، ۸۳.۷۷ ملین روپے کا کاروبار کیا جو ایس ای سی پی کے ذریعہ ریگولیٹری تقاضوں کی وجہ سے اس میں شامل نہیں کیا گیا، یعنی کہ گروپ کی مستحکم مجموعی آمدنی Rs. 4,682 ملین رہی جو کہ پچھلی اسی مدت کے مقابلے میں 19.9 فیصد کا اضافی ہے۔ ٹیکس سے پہلے منافع ۱۸۱ ملین روپے رہا جو کہ پچھلے سال کے اسی عرصے کے دوران کے ۲۳۳ ملین تھا۔ اس گروپ نے فی شیئر ۲.۰۲ پیسے روپے نقصان بتایا۔ جو کہ پچھلے اسی عرصے میں ۰.۰۵ پیسے فی شیئر تھا۔

## ۳. گروپ کی کارکردگی

گروپ کے کاروبار کا مختصر جائزہ درج ذیل ہے۔

### ۱۔ ٹی پی ایل ٹریڈر لمیٹڈ

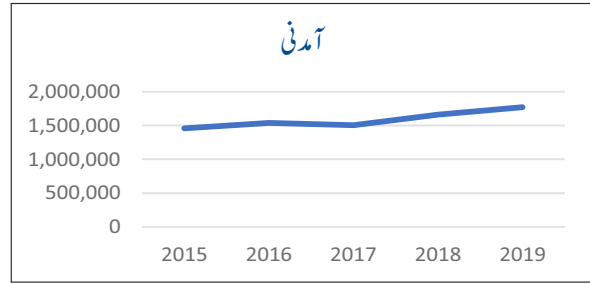
کمپنی نے ۷.۷۷، ۸۳.۷۷ ملین روپے کی آمدنی حاصل کی جو کہ پچھلے سال کے مقابلے میں ۷ فیصد اضافی آمدنی ہے۔ دو نئی مصنوعات اس سال لانچ کی گئی جس میں سے ایک انڈسٹریل انٹرنیٹ آف تھنگز (IIoT) اور دوسری وہیکل ویڈیو ٹیلی میٹکس کے نام سے ہیں اور اس سال ٹاپ لائن میں ان کی شراکت داری ۳ فیصد رہی ہے۔ اور توقع ہے کہ آنے والے سالوں میں اس میں کئی گنا اضافہ ہو گا۔

کمپنی کا آپریٹنگ منافع ۸ فیصد رہا مگر بڑھتی شرح سود کی وجہ سے کمپنی کا مالیاتی لاگت بڑھ کر ۳۸ فیصد تک ہو گیا اور اسی وجہ سے کمپنی کے نقد منافع میں ٹیکس سے پہلے ۴۵ فیصد کمی رہی۔

## انفرادی آمدنی:

سال	مجموعی آمدن	بڑھوتری / نمو
2015	1,457,620	4%
2016	1,537,181	5%
2017	1,506,282	-2%
2018	1,660,647	10%
2019	1,771,865	7%

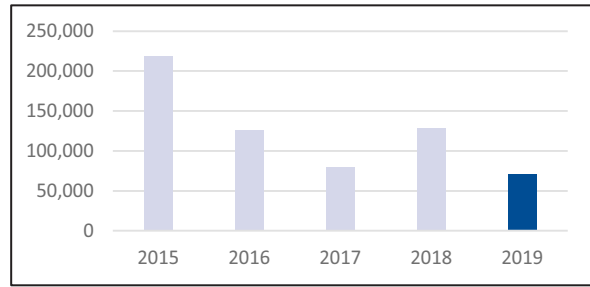
روپے ہزار میں



## قبل از محصول منافع

سال	قبل از محصول منافع	بڑھوتری / نمو
2015	218,536	66%
2016	125,457	- 43%
2017	79,349	- 37%
2018	128,687	62%
2019	70,689	- 45%

روپے ہزار میں



## مستقبل کا جائزہ

حکمت عملی اور توجہ کے شعبے۔

## ویبکل ویڈیو ٹیلی میٹکس

ہم نے ڈرائیور کی تھکاوٹ کی نگرانی اور ان میں کمین الرٹ پیدا کرنے کے سمارٹ حل متعارف کروائے ہیں جس میں ساتھ ہی ڈرائیور کی تھکاوٹ کا پتہ چلنے کی صورت میں فلیٹ (بیڑے / کاروان) کے منیجر کو رینل ٹائم رپورٹنگ بھی شامل کی ہیں۔ ہمارا سسٹم ڈرائیور کا دھیان بٹنے جیسے سیل فون / موبائل فون کے استعمال کی نشاندہی کرتا ہے۔

ہمارا ویبکل ویڈیو ٹیلی میٹکس سلوشن ہمارے ویبکل ٹریکنگ کاروبار کیلئے بھی کافی سودمند ثابت ہو گا جو کہ ہمارے موجودہ کسٹمرز کو اپنے کارواں کو بہتر طریقے سے دیکھنے اور اُسکی حفاظت سے باخبر رہ کر بہتر طریقے سے چلانے میں مددگار ثابت ہو گا۔

## انڈسٹریل انٹرنیٹ آف تھنگز

نقل و حمل اور آٹو موٹیو انڈسٹری میں ہم نے اپنی مضبوط صلاحیت جو کہ انٹرنیٹ آف تھنگز (IoT) کو ہم نے دیگر انڈسٹریل (IoT) تک پھیلا رہے ہیں۔ اس سال ہم نے اپنے اسمارٹ جزئیٹریٹنگ سلوشن کا آغاز کیا جو ہمارے کسٹمرز کو ایندھن کی چوری / غلط استعمال کو کم کر کے ایندھن کے اخراجات کو بچانے میں مدد کرتا ہے اور توانائی کی پیداوار اور کھپت کے طریقوں کی نگرانی کر کے استعمال کو بہتر بناتا ہے۔

## نئے حل جو تیاری کے عمل میں ہیں

صنعتی شعبے کے علاوہ ہم اب زراعت کے شعبے کے لئے IOT کے نئے حل تیار کرنے کے لئے سرگرم عمل ہیں جن میں اسمارٹ ایریگیٹیشن سسٹم، مٹی کی صحت کی نگرانی اور اسمارٹ زرعی حل شامل ہیں۔

## تنظیمی ترقی

جیسے جیسے مزید سے مزید فزیکل ڈیوائسز (مشینی آلات) سینزور کے ذریعے انٹرنیٹ سے رابطے میں آتی جا رہی ہیں ہم ڈیٹا کا ایک طوفان دیکھ رہے ہیں اور ٹی پی ایل ٹریڈر اس واضح نقطہ نظر پر ہے کہ اس موقع سے جو کہ چوتھا صنعتی انقلاب ہے اس سے بھرپور فائدہ اٹھانے کیلئے تیار ہے جو کہ فزیکل اور ڈیجیٹل دنیا کا ایک فیوژن سامنے لا رہا ہے۔

ہم اس ڈیٹا کا ہم بہترین صلاحیتوں سے تجزیہ کر کے درجہ بندی کر رہے ہیں تاکہ ہمارے موجودہ کسٹمرز اس سے بھرپور فائدہ اٹھا سکے ہیں۔ مثال کے طور پر گاڑیوں کی پیشگی مینٹیننس وغیرہ۔ اسی صلاحیت سے ہمارے صنعتی آئی او ٹی سلوشنز کے اوپر تجربات پر مبنی پیش کش بنانے میں بھی مدد کی توقع کی جاتی ہے تاکہ صارفین اپنے صنعتی اثاثوں کا زیادہ سے زیادہ اپ ٹائم یقینی بنائیں اور مینٹیننس کے اخراجات کو کم سے کم کریں۔

## ب۔ ٹی پی ایل انشورنس لمیٹڈ

مالی سال کے دوران (ونڈونکافل آپریشن ملا کر) کمپنی نے مجموعی طور پر تحریری پریمیم ۲,۳۹۴ ملین روپے بتایا جو کہ پچھلے سال کے مقابلے میں ۲ فیصد کم ہے۔ اس سال اس گراؤ کی بنیادی وجہ آٹو سیگنٹ کو درپیش غیر معمولی چیلنجز ہیں۔ رعایتی نرخوں میں اضافہ، نان فائلر پر نئے گاڑی خریدنے کی پابندی، اور روپے کی گرتی قدر کی وجہ سے قیمتوں میں اضافہ یہ وہ تمام وجوہات ہیں جن کے باعث آٹو سیکٹر میں آٹو موبائلز کی طلب میں کمی واقع ہوئی کمپنی نے سال کے دوران اپنے آپ کو غیر موٹر سیکٹر میں بڑھایا اور سال کیلئے مجموعی تحریری پریمیم کو ۳۳۰ ملین روپے تک لے گئی جو کہ پچھلے سال ۳۰۶ ملین روپے تھا (بعده وونڈونکافل آپریشن)۔ اس سال کے دوران، ہمارا کلیم کا تناسب ۳۶ فیصد بہتر رہا جو کہ پچھلے سال ۴۰ فیصد تھا، جبکہ سرمایہ کاری کی آمدنی میں ۱۸ ملین روپے کا نقصان کی اطلاع ملی جو کہ پچھلے سال بھی ۱۸ ملین روپے تھا اور اس کی وجہ اسٹاک مارکیٹ میں گراؤ تھا۔

موجودہ مشکلات کے پیش نظر، کمپنی مائیکرو ہیلتھ انشورنس سمیت خوردہ (ریٹیل) مارکیٹ کے دیگر حصوں پر توجہ دے رہی ہے۔ کمپنی اپنی سرمایہ کاری ڈیجیٹائزیشن اقدامات تحریری طور پر اور کلیم آپریشنز میں جاری رکھے گی۔ جو کہ مستقبل میں کافی مفید ثابت ہوگی۔ ان اقدامات کے نتیجے میں اور سرمایہ کاری کی گرتی کارکردگی جس پر اوپر روشنی ڈالی گئی ہے کمپنی ۳۳ ملین روپے کا منافع بعد از ریٹرن نکافل اور روایتی کاروبار میں بتا رہی ہے (۲۰۱۸: کمپنی نے ۲۵ ملین کا منافع بتایا تھا)۔ جبکہ کمپنی نے ٹیکس ادا کیے سے پہلے ۵۴ ملین روپے کا نقصان (۲۰۱۸: ٹیکس سے پہلے منافع ۲ ملین تھا) روایتی کاروبار میں ظاہر کیا تھا اور سرپلس ۸ ملین روپے نکافل کی مد میں جوڑے۔ (۲۰۱۸: ۱۵ ملین روپے کا خسارہ ہوا)۔

## مستقبل کا جائزہ:

کمپنی خوردہ مارکیٹ کے حصے میں اضافے کے ساتھ ساتھ مارکیٹ میں اپنی رسائی بڑھانے کے لئے ڈیجیٹائزیشن اقدامات میں سرمایہ کاری پر بھی توجہ مرکوز کر رہی ہے۔ اس سے، نان موٹر سیکشن میں داخلے کے ذریعے نئے رجحان کے فوائد کے ساتھ ساتھ مستقبل میں کمپنی کی پوزیشن کو نمایاں طور پر تقویت ملے گی۔ ہمیں یقین ہے کہ حکومت کی جانب سے غیر ملکی سرمایہ کاری اور جی ڈی پی کی شرح کو بہتر بنانے کے لئے اٹھائے گئے اقدامات معاشی استحکام لائیں گے اور انشورنس صنعت کی ترقی میں اضافہ ہوگا۔ زیادہ سود

کی شرحیں، بڑھتی آٹوموبائل کی قیمتیں سے آٹو انشورنس کی ترقی پر اثر پڑے گی، لیکن کمپنی کو یقین ہے کہ وہ ڈیجیٹلائزیشن اقدامات کے ذریعہ مصنوعات کی ترقی، چینل کو گہرا کرنے کے ذریعے اپنے مارکیٹ شیئر کو بہتر بنائے گی۔

## ج۔ ٹی پی ایل پر اپریٹیز لمیٹڈ

مالی سال کے دوران زیر جائزہ کمپنی نے قبضے کی شرح ۹۸ فیصد برقرار رکھی ہے۔ کمپنی کا اکھٹا کیا گیا محصول ۵۹۷ ملین تھا جو کہ پچھلے سال کے مقابلے میں ۸ فیصد زیادہ تھا، جو کہ کرائے، میٹیننس اور سہولیات میں اضافے پر نظر ثانی کی بناء پر بڑھا۔ براہ راست خرچوں کی مد میں سال با سال ۷ فیصد اضافہ ہوا جو کہ ۱۶۲ ملین روپوں سے ۱۷۳ ملین روپے پر پہنچا۔ انتظامیہ کے اخراجات میں ۵ فیصد کمی واقع ہوئی جو کہ ۱۳۶ ملین روپوں ۱۳۹ ملین روپے ہو گئی، جبکہ فنانس لاگت میں ۲۵ فیصد اضافہ ہوا اور لاگت ۲۳۲ ملین روپوں سے ۲۹۰ ملین روپوں تک جا پہنچی جس کی وجہ سال کے دوران کیبور (KIBOR) میں ۶۴۸ فیصد سے ۱۰۸۵ فیصد تک اضافہ ہے۔ دیگر آمدنی ۷۰۹ ملین رہی، جس میں بنیادی طور پر پی اینڈ ایل میں تسلیم شدہ انویسٹمنٹ پر اپریٹیز پر ۶۶۷ ملین روپے کا فائدہ شامل ہے، نتیجتاً کمپنی ۷۰۲ ملین روپے ٹیکس سے پہلے منافع حاصل کیا جس کی ای پی ایس آمدنی فی شیئر ۲۰۷ روپے رہی۔

## مستقبل کا جائزہ:

ریئل اسٹیٹ سیکٹر کے لئے مارکیٹ کافی مثبت معلوم ہو رہی ہے کیونکہ ملکی سیکیورٹی کے بہتر ماحول، سیاسی استحکام اور بنیادی ڈھانچے کے بڑے منصوبوں کی تکمیل سے فائدہ اٹھایا جا رہا ہے۔ یہ فوائد ہاؤسنگ اور بین الاقوامی کھلاڑیوں کی رہائش، مہمان نوازی اور گودام کے شعبے میں نمایاں سرمایہ کاری کو راغب کر رہے ہیں۔

ڈویلپمنٹ کی طرف، ہمارا ون ہوشنگ پروجیکٹ کا اسکیمیک ڈیزائن کی تکمیل کی طرف تیار ہے اور توقع ہے کہ مالی سال ۲۰۲۰ کی تیسری سہ ماہی تک یہ زمین پر عملی شکل میں ہو گا۔ ہماری ڈویلپرز سروسز، جو کہ پاکستان میں نسبتاً ایک نیا تصور ہے، کمپنی نے اس کیلئے پہلے ہی پری کوالیفائی کر لیا ہے اور اس کیلئے ہم نے معروف کارپوریٹس کو تجاویز پیش کیں ہیں تاکہ ہم انہیں ٹرکی ڈویلپمنٹ (سلوشنز) حل دیں۔ اس طرح کی ترقیاتی خدمات کے لئے معاہدہ کا حصول وقت طلب عمل ہے کیونکہ اس میں بہت زیادہ سرمایہ کاری اور مختلف اجازت نامے درکار ہیں۔ تاہم، ہمیں امید ہے کہ اگلے چند مہینوں میں ترقیاتی خدمات کی فراہمی کے لئے ہم ان مواقعوں کو حاصل کریں گے۔ نئی کاروباری لائن ناصرف کمپنی کے لئے ایک اور محصول میں اضافہ کرے گی اور ہمارے حصص یافتگان کی آمدنی میں اضافہ ہو گا اور ہمارے پروجیکٹ پورٹ فولیو کو مزید تقویت بخشنے گی۔

سیکیورٹیز اینڈ انکیسٹیشن کمیشن آف پاکستان کی جانب سے کمپنی کو غیر بینکنگ فنانس کمپنی (این بی ایف سی) کی حیثیت سے REIT مینجمنٹ سروسز کو انجام دینے کا لائسنس دیا گیا ہے۔ جس کی بدولت اب ہم REIT مینجمنٹ کا کاروبار کر سکتے ہیں اور اپنی ماتحت کمپنی TPL REIT مینجمنٹ کمپنی لمیٹڈ کے تحت REIT فنڈز کا آغاز کر سکتے ہیں۔ فی الحال ہم اپنے REIT پورٹ فولیو کیلئے فنڈز جمع کرنے کے مراحل میں ہیں اور توقع یہ ہے کہ مالی سال ۲۰۲۱ میں ایک فنڈ لانچ کر دیں۔ ہم مجموعی معاشی منظر نامے کا انتہائی قریب سے جائزہ لے رہے ہیں جس میں سود کی شرح، مارکیٹ کی لیکویڈیٹی اور REIT فنڈز کے لانچ کرنے کے بعد آگے لیکر چلنے کا تخمینہ لگا رہے ہیں۔

یہ کمپنی اس وقت ایک لاجسٹک پارک کے قیام کے عمل میں ہے، ایک جدید ترین آف ڈاک ٹرمینل جس کے ساتھ ویز ہاؤسنگ کی سہولت موجود ہو۔ ہم نے اس نئے منصوبے کیلئے ایک دوسرے پارٹنر کے ساتھ JV پر دستخط کئے ہیں۔ سائٹ کی تیاری اور ایک تصوراتی خاکہ اس سائٹ کو بنانے کیلئے تیار کیا جا رہا ہے۔ امید ہے کہ یہ جگہ مالی سال ۲۰۲۱ تک تیار ہو کر آپریشنل ہوگی۔

## د۔ ٹی پی ایل میپس (پرائیوٹ) لمیٹڈ

اس مدت میں کمپنی کی آمدنی ۹۹۷۰ ملین روپے رہی، جو کہ پچھلے سال کے مقابلے میں ۸ فیصد اضافی تھی نتیجتاً ٹیکس لگنے سے پہلے ۶۸۷۰ ملین روپے کا نقصان ہوا جس کی بنیادی وجہ نان فائلر مسئلے کی وجہ سے گاڑیوں کی کم فروخت ہے۔

ٹی پی ایل میپس ایک اعلیٰ ٹیکنالوجی کمپنی ہے جو نیوٹیکشن اور نقشہ سازی میں مہارت رکھتی ہے۔ اس نے پاکستانی مارکیٹ میں لوکیشن میپنگ سروسز کی عالمی معیار کی ٹیکنالوجی دے رہا ہے۔ وقت، کوشش اور انسانی سرمائے میں نمایاں سرمایہ کاری کے ساتھ ٹی پی ایل کے ذریعہ ڈیجیٹائزڈ نقشے اعلیٰ معیار تیار کئے ہیں اور دلچسپی کے صحیح اور مفصل مقامات بتائے گئے ہیں جو مختلف صنعتوں اور صارفین کے زیر استعمال ہو سکتے ہیں۔

پاکستان کے نقشوں کی نقشہ سازی اور ڈیجیٹائزیشن ایک جاری مشق ہے کیونکہ دلچسپی کے مقامات (POI)، روڈ نیٹ ورکس اور رہائشی اور تجارتی عمارتوں کو اپ ڈیٹ اور ریکارڈ کیا جاتا ہے اور یہ ٹی پی ایل میپس کر رہا ہے۔ تازہ اور تفصیلاً نقشہ سازی کا ڈیٹا لوکیشن میپنگ سروسز پلٹ فارم کو تقویت فراہم کرتا ہے۔ یہ کمپنی ایل بی ایس استعمال کر رہی ہے تاکہ مارکیٹ ڈیمانڈ کے مطابق خاص کسٹمر کے حساب سے سافٹ ویئر سلوشنز تیار کئے جائیں۔ ان میں ایل بی اے (لوکیشن میپنگ ایڈورٹائزنگ)، ڈارٹ (ڈیجیٹل سلوشن) اور سی پی ایس (کمرشل پلاننگ سلوشن) شامل ہیں۔ اعلیٰ سافٹ ویئر ڈویلپمنٹ اور بھرپور نقشوں کے نتیجے میں، ہم نے کامیابی کے ساتھ ایک اہم مقامی موٹر سائیکل ہیلنگ اور سروس فراہم کردہ کوسائن اپ کر لیا ہے۔ اسی طرح، ٹیلی کام، لاجسٹک اور فوڈ سیکٹر کے دوسرے بڑے اور ملٹی نیشنل انٹرپرائزز ہیں جن نے مذکورہ سلوشنز میں گہری دلچسپی ظاہر کی ہے۔

ہمارے مقامی اعداد و شمار کو حاصل کرنے کیلئے، بین الاقوامی نقشہ سازی اور نیوٹیکشن کمپنیاں ہم سے رابطے میں ہیں اور ڈیٹا سیٹس کو بڑے بین الاقوامی کھلاڑیوں کے زیر جائزہ لیا جا رہا ہے۔ امکان ہے کہ ہم اس مالی سال کے اندر ان ڈیلز سے اہم آمدنی کرتے نظر آئیں گے۔

ہم نے ہیئر ٹیکنالوجیز (HERE TECHNOLOGIES) کے ساتھ اسٹریٹیجک پارٹنرشپ معاہدہ پر دستخط کئے ہیں۔ اس پارٹنرشپ سے ہمارے لئے بڈل ایسٹ اور افریقہ کی مارکیٹ کے دروازے کھل گئے ہیں۔ باہنیت اسٹریٹیجک پارٹنر ہم ”گوٹ ٹو مارکیٹ“ کیلئے مشترکہ طور پر کام کریں گے اور جدید مصنوعات اور ٹیکنالوجی بھی تیار کریں گے جو ہمارے بین الاقوامی اور پاکستان میں کاروبار کو بڑھانے میں مدد فراہم کریں گی۔ ابتدائی مرحلے میں ہم MENA (مشرق وسطیٰ اور شمالی افریقہ) میں کام کریں گے تاکہ یہاں ہیئر (HERE) سے اشتراک کیا ساتھ سلوشنز کو فروخت کریں۔

ٹی پی ایل میپس ایپ ہمارا فلیگ شپ بی سی ۲ پروڈکٹ رہے گی جس سے عوامی منظر نامے میں ہماری نمائش میں اضافہ ہو گا۔ اسی کے ساتھ ہی یہ نئی خدمات اور ٹیک ٹیسٹنگ کے لئے بطور ٹیسٹ بیڈ کام کرے گی۔ اس سے نہ صرف صارف اور کاروباری برتری پیدا ہو سکیں گی بلکہ طویل مدت میں کاروبار کی مجموعی تشخیص میں بھی مدد ملے گی۔

کار میں نیوٹیکشن کاروبار، جو ہمارے بنیادی محصول میں حصہ لینے والا تھا، اب ٹی پی ایل میپس میں سافٹ ویئر اور سلوشنز ڈویژن کے تحت رہے گا۔ ہمارا ارادہ ہے کہ اس کاروبار کو بھرپور طریقے سے فروغ دیں اور سافٹ ویئر کے مزید OEM صارفین کو شامل کریں۔ ہیئر ٹیکنالوجیز کے ساتھ نئی شراکت داری کے ساتھ، ہم آڈی، مرسلز اور بی ایم ڈبلیو جیسی دہائی کی کاروں کے لئے لائن فٹ پاکستان نیوٹیکشن کے بین الاقوامی OEMs کو ٹارگٹ بنائیں گے۔

## مستقبل کا جائزہ:

مذکورہ بالا کاروبار کے توجہ کے حامل علاقوں کے سلسلے میں، ہم اشتہار، ٹیلیکوم، خوردہ اور لاجسٹکس کی صنعتوں کے سلوشنز فراہم کرنے کا ارادہ ہے اور رواں مالی سال کی سہ ماہی سے ہم MENA مارکیٹ میں اپنی آفر کو پیش کریں گے۔ ہمارے ہیئر ٹیکنالوجیز کے ساتھ اپنے اسٹریٹیجک اتحاد کے ساتھ، ہم ٹی پی ایل کے نقشے کو MENA کے خطے میں وسعت دینے کی کوشش کر رہے ہیں۔ دونوں کمپنیوں کا مقصد خطے کی تیزی سے بڑھتی ہوئی معیشتوں اور درمیانے طبقے کی مصنوعات اور خدمات کی بڑھتی ہوئی کھپت کی ضروریات کو پورا کرنا ہے۔

ہم متحدہ عرب امارات میں کاروبار کرنے کا ارادہ رکھتے ہیں اور بٹیکر مڈل ایسٹ (ٹی ایم ای) کے موجودہ صارفین کی بنیادوں پر فائدہ اٹھائیں گے جو پہلے ہی متحدہ عرب امارات میں کام کر رہے ہیں۔

ٹی پی ایل میپس جی آئی ایس اسپیس میں نئی ٹیکنالوجیز اور جدت طرازی کے استعمال پر بھی نظر رکھے ہوئے ہے۔ ان میں الگورتھم اور مخصوص IP سے متعلق کام کرنا شامل ہے لیکن یہ براہ راست ٹریفک مانیٹرنگ تک محدود نہیں، مصنوعی اعداد و شمار اور اسی طرح کی دوسری عالمی ٹیکنالوجیز کو مزید تقویت بخشنے کے لئے سینٹرائٹ انجبری اور



ڈیمو گرافکس لیئرز کے ذریعہ چھٹوں کا سراغ لگانا شامل ہے۔

## ہ۔ ٹی پی ایل لائف انشورنس لمیٹڈ

۲۰۱۹ کا پہلا نصف حصہ معاشی اور سیاسی غیر یقینی صورتحال سے دوچار تھا، جس نے ایکویٹی مارکیٹ کی منفی کارکردگی اور روپے کی قدر میں کمی نے کاروبار میں ترقی اور منافع کو متاثر کیا۔

۳۰ جون، ۲۰۱۹ کو ختم ہوئے سال کے دوران مجموعی تحریری پریمیم (جی ڈبلیو پی) ۵۲۹ ملین روپے روپے تھا۔ جو کہ پچھلے سال ۲۰۱۸ کے ۴۰۳ ملین روپے کے مقابلے میں ۳۱ فیصد بہتر ہے۔

سال کے دوران، کارپوریٹ سیکٹر سے پریمیم ۴۵۲ ملین روپے اور خوردہ کاروبار سے ۷۶ ملین روپے تھا جو کہ ۲۰۱۸ میں اسی مدت کے دوران ۳۵۸ ملین روپے اور ۴۴ ملین روپے بلترتیب تھا جو کہ ۲۶ فیصد کارپوریٹ کاروبار اور ۷۲ فیصد خوردہ کاروبار میں ترقی / اضافی ہے۔

سال کے دوران، اس کمپنی نے ٹی پی ایل کارپ لمیٹڈ کو ۱۰ ملین شیئر رائٹ ۱۰ روپے فی شیئر کے حساب سے جاری کئے تاکہ سالانہ اور ورکنگ کپیکل کی ضروریات کو پورا کیا جاسکے۔

کمپنی نے اس مدت کے دوران صحت اور لائف کلیم کی مد میں ۲۸ ملین روپے ادا کئے جس میں سے صحت کلیم کی مد میں ۵۵ ملین روپے اور لائف کلیم کی مد میں ۱۱ ملین روپے ہیں۔

کمپنی کا بین اوور کے ساتھ ری انشورنس کا بندوبست ہے اور جس کو اسٹینڈرڈ اینڈ پورز نے ”AA-“ ریٹنگ دی ہے۔ انتظامیہ کو یہ یقین ہے کہ ری انشورنس کمپنی کی انڈر رائٹنگ صلاحیت پر منڈلانے والے خطرات اور ان کی گہرائی پر قابو پانے میں مدد فراہم کریگی۔

کمپنی نے PACRA کی جانب سے آئی ایف ایس (انشورنس فائنیشل اسٹریٹج) میں A- (سنگل اے مائنس) کی ریٹنگ کو برقرار رکھا ہے۔

اس سال ٹیکس کے بعد کا خسارہ ۱۷ ملین روپے تھا (۲۰۱۸: ۱۹۴ ملین روپے)۔ وجوہات میں صحت اور لائف میں بڑھتے ہوئے سالوینسی مارجن کے خطرات بشمول صحت اور لائف انشورنس کی شروعات اور تجدید کی کاروائیوں میں لگنے والی لاگت۔ بنیادی لاگت میں سافٹ ویئر اور ایپ ڈویلپمنٹ اور آئی سے تعلق رکھنے والے دیگر اخراجات بھی شامل ہیں۔

کمپنی کے مکافل لائن آف بزنس نے کل پریمیم ریونیو میں ۹ فیصد کا ادا کیا ہے اور ہم توقع کر رہے ہیں کہ خوردہ اور کارپوریٹ سیکٹروں میں شریعت پر مبنی مکافل حل کی موروثی / ذاتی ضرورت کی وجہ سے آنے والے سال میں مکافل لائن آف بزنس کی شراکت میں اضافہ ہوگا۔

## مستقبل کا جائزہ:

پاکستان کی معیشت ایک مشکل دور سے گزر رہی ہے۔ مالی نظم و ضبط، ایکویٹی منڈی کے استحکام کے ساتھ ساتھ سود کی شرحوں، معاشی اور ٹیکسوں کی پالیسیوں کا استحکام، اور بہتر حکمرانی بالآخر بہتر معاشی ترقی کا باعث بنے گی۔ جب کہ حکومت کی جانب سے معیشت کو دستاویزی (ڈا کو منڈ) بنانے کے لئے اٹھائے جانے والے اقدامات قابل تحسین ہیں، اس کے مثبت نتائج برآمد ہونے میں کچھ وقت لگے گا۔

لائف انشورنس کی صنعت کو مختلف چیلنجز کا سامنا ہے، ان میں سب سے اہم لائف اور صحت کی انشورنس کے کاروبار کے ساتھ ساتھ انشورنس ایجنٹوں کے کمیشن پر بھی صوبائی سیلز ٹیکس لگانا ہے۔ پاکستان جیسے ملک میں جو دنیا میں سب سے کم انشورنس کا عمل دخل ہے، انشورنس سیکٹر کی ترقی کے لئے حکومت کی مدد اس کا عمل دخل بڑھانے اور موجودہ مسائل کو حل کرنے میں کلیدی کردار ادا کرے گی۔

لائف انشورنس کے شعبے نے اقتصادی سست روی کے ساتھ ساتھ بینکوں کی انشورنس کے کاروبار پر اس کے بنیادی انحصار کی وجہ سے نئے کاروبار کی ترقی میں معمولی کمی کا مظاہرہ کیا ہے۔ نئے راستوں کی کھوج اور مصنوعات کی پیش کشوں میں بڑھوتری نئے کاروبار کے اعداد و شمار کو کافی حد تک فروغ فراہم کر سکتی ہے۔

خوردہ کاروبار کی لائن میں، کمپنی کی توجہ اپنے ڈیجیٹل فٹ پر نئے بڑھانے کی طرف ہے اور ہم ڈیجیٹل پلیٹ فارمز میں نئے پارٹنرز کھوج رہے ہیں تاکہ تیزی سے بڑھتے کاروباری خطرات سدباب کیا جاسکے۔ ایچ پی ایل کنیکٹ، پیک الفلاح اور Dawai.pk کو ان ڈیجیٹل پیشکشوں میں شامل کیا ہے۔

کارپوریٹ بزنس اعلیٰ کسٹمر سروسز کے ذریعہ پورٹ فولیو کو بڑھانے اور ٹیکنالوجی پر مبنی سلوشنز کے ذریعہ اپنی برتری برقرار رکھنے پر توجہ مرکوز رکھے گا۔ طب کے شعبے افراط زر میں حالیہ اضافے کے نتیجے میں کاروباری مسابقت میں اضافہ ہوا ہے لیکن نئے لوگوں کیلئے یہ نادر موقع ہے کہ وہ موثر کاروائیوں کے ذریعے موجودہ صورتحال کا مقابلہ کریں۔

مصنوعات، سروسز اور انشورنس (انشورنس ٹیکنالوجی) کے مسلسل ارتقاء کے ذریعے، ٹی پی ایل لائف نے اپنی پوزیشن کو اس طرح سے ڈھالا ہے کہ اس نے موجودہ لائف انشورنس پلیئر کے کلب میں اپنی جگہ بنائی۔ جس میں ذیلی کمپنی اور ٹی پی ایل کارپوریشن، اس کو شروع کرنے والی کمپنی اور دانشمندانہ مینیجمنٹ، انتظامیہ کی سخت محنت کا ثمر ہے کہ ہم مستقبل میں کامیابی کی مزید سیڑھیاں عبور کریں گے۔

## و۔ ٹی پی ایل سیکورٹی سروسز (پرائیوٹ) لمیٹڈ

ٹی پی ایل سیکورٹی سروسز (پرائیوٹ) لمیٹڈ پچھلے سال کے مقابلے میں ۳۵ فیصد آمدنی کے ساتھ بہتر کام کر رہی ہے۔ آمدنی میں اضافے کی وجہ ہمارے کسٹمر بیس میں توسیع اور کمپنی کی انتھک محنت تاکہ نئے کاروباروں کی کھوج کی جاسکے۔

## مستقبل کا جائزہ:

پیشہ ورانہ نجی سیکورٹی ایجنسیوں کے ابھرنے سے پولیس کی قوت بڑھے گی / اضافہ ہو گا اور عوامی نجی پولیسنگ کی شراکت کو جنم ملا ہے۔ پرائیوٹ سیکورٹی نے نا صرف نا صرف سیکورٹی کوریج پر ریاستی اجارہ دار ختم کی، بلکہ اس کے ساتھ ساتھ اس نے ریاست کا معاشی بوجھ بھی بانٹا۔ اسکے علاوہ پرائیوٹ سیکورٹی نے پرائیوٹ کارپوریٹ اور انڈسٹریل سیکٹر میں احساس ذمہ داری بھی ڈالا۔ ان ممالک میں جہاں نجی سیکورٹی کے شعبے نے پیشہ ورانہ چٹنگی حاصل کر لی ہے، ایسی ایجنسیوں کو قومی دھارے میں شامل سیکورٹی آپریٹس میں ضم کیا جا رہا ہے۔

## حکمت عملی اور توجہ کے شعبے

ٹی پی ایل سیکورٹی سروسز کی کلیدی حکمت عملی یہ ہے کہ کارپوریٹ سیکٹر، صنعتی شعبے، مالز، اسکولوں، عمارتوں، خوردہ اسٹورز اور ماہر سیکورٹی کاررواں / قریب ترین حفاظت کے اپنے آپریٹرز اور مارکیٹنگ کی تیار کریں گے۔ اس حکمت عملی کو حاصل کرنے کے لئے، ٹی پی ایل سیکورٹی سروسز درج ذیل امور کریں گے:

• مستقل آمدورفت، گشت اور نگرانی سے متعلق گارڈز کو تربیت فراہم کی جائے گی۔

• ہتھیار رکھنا، چلانا اور نشانہ بازی کی پریکٹس۔

• نظم و ضبط اور حاضری۔

• برانڈنگ۔

• اشتہارات و دیگر ذرائع سے اُن مقامات، منڈیوں اور کسٹمرز تک رسائی حاصل کرنا۔

• گارڈز کی خدمات اور اعلیٰ سطحی مشاورت آؤٹ پر خاص طور پر توجہ مرکوز کرنا۔

## مسابقتی برتری

ٹی پی ایل سیکیورٹی سروسز اعلیٰ سطح کی کسٹمر سروس اور اعتماد دیکر ایک مسابقتی برتری قائم کریگی۔ کمپنی کوشش کرے گی کہ کلائنٹ اور معاہدہ شدہ سیکیورٹی گارڈز کے مابین دلال نہ بنے، کیوں کہ کچھ کمپنیاں سیکیورٹی گارڈ فراہم کرنے والے بن جاتے ہیں، بلکہ اس کے بجائے کلائنٹ کے اثاثوں کی حفاظت اور سیکیورٹی میں شراکت دار بنیں گے، اس تحفظ میں سیکیورٹی گارڈز ایک اہم کردار کے طور پر ہوں گے۔

## ز۔ ٹی پی ایل ای۔ وینچرز

نومبر ۲۰۱۷ میں شامل ہوا، ٹی پی ایل ای۔ وینچرز (پرائیویٹ) لمیٹڈ کا مقصد مختلف صنعتوں میں کاروبار کو شروع کرنے میں بالکل ابتدا اور ابتدائی مراحل میں سرمایہ کاری کریں تاکہ وہ پھیلیں پھولیں اور حصص کی قدر میں اضافہ ہو۔ آج تک، کمپنی نے ابتدائی مرحلے میں ٹیکنالوجی اسٹارٹ اپ میں درج ذیل برانڈز کے تحت تین بیرون ملک سرمایہ کاری کی ہے: Tello Talk, Karlo Compare اور Rider۔ اگرچہ نونا سیدہ اور انتہائی چیلنجنگ؛ پاکستان میں ابتدائی مرحلے کے کاروباروں کو بیرونی معاشی عوامل کے ذریعہ پیش آنے والے متعدد چیلنجوں کا سامنا کرنا پڑا ہے۔ ان خارجی اداروں میں ڈالر کی شرح میں اضافے، وینچر کیپیٹل کے لئے چندہ دینے والے ماحول کو چیلنج کرنے اور سود کی شرحوں میں اضافے کی وجہ سے ڈیجیٹل ایڈتھارڈوں کے اخراجات پر اتار چڑھاؤ تک محدود ہے۔ مزید برآں، بڑھتے ہوئے اخراجات کے نتیجے میں پورے بورڈ میں لاگت کی کارکردگی کے اقدامات پر توجہ دی جا رہی ہے جوئے سسٹمز اور ڈیجیٹل عمل میں سرمایہ کاری کے لئے عدم دلچسپی کو ہوا دے رہی ہے۔

فی الحال، ٹیم ترقی اور فنڈ میں اضافے سے متعلق چیلنجوں کو حل کرنے کے لئے پورٹ فولیو کمپنیوں کے ساتھ مل کر کام کر رہی ہے۔ مزید برآں، ہمارے پاس سرمایہ کاری کے مواقع کا اندازہ کرنے، دیگر ٹی پی ایل کارپوریشن اداروں کے ساتھ چینل کے شراکت دار تعلقات تلاش کرنے اور ہمارے شریک سرمایہ کاری / فنڈنگ شراکت داروں تک رسائی فراہم کرنے کے لئے مستحکم معاہدے کے سلسلے کو واضح کرنے کے لئے ایک صاف ستھرے سیٹ اپ ہیں۔

## مستقبل کا جائزہ

### حکمت عملی اور توجہ کے شعبے

آگے بڑھنے پر، ٹی پی ایل ای وینچرز انکیوبیٹرز، ایکسلریٹرز، سرمایہ کاروں اور دیگر اسٹیک ہولڈرز کے ساتھ مل کر کام کرے گا تاکہ وہ اپنے آپ کو ایک مارکیٹ لیڈر کی حیثیت سے رکھ سکے اور پاکستان کے اسٹارٹ اپ ماحول نظام کی تشکیل دے سکے۔ توجہ موجودہ پورٹ فولیو کمپنیوں کی پختگی پر ہوگی جب کہ سرمایہ کاری کے لئے اعلیٰ بڑھوتری کے مواقع کی نشاندہی کرتے رہیں اور ٹی پی ایل کارپوریشن یا اسٹریٹجک / بے وی شراکت داروں کے ذریعہ عمل درآمد کرنے والے نظریات کو فروغ دینے پر کام کریں گے۔

## ز۔ ٹی پی ایل روپیہ (پرائیوٹ) لمیٹڈ

ٹی پی ایل روپیہ (TPLR) تکنیکی ایجادات کے ذریعے قدر پیدا کرنے اور اس ڈیجیٹل دور میں قوم کی رہنمائی کرنے کا پختہ عزم رکھتا ہے۔ پاکستان میں نقل و حمل کے لئے پہلا ای ٹکٹنگ سلوشن لانچ کرنے کے بعد، لاہور ٹرانسپورٹ کمپنی (ایل ٹی سی) کے لئے اپنے موبائل پیمنٹ کے پلیٹ فارم کے توسط سے، ٹی پی ایل روپیہ نے نہ صرف بہاولپور، لودھرا ٹرانسپورٹ اور بندیاں کے لئے اسی طرح کے مینڈیٹ جیٹا بلکہ فخر کے ساتھ گرین لائن اور انچ لائن بس منصوبوں کے لئے پہلے سے کو ایفائیڈ سلوشن پرووائیڈر نامزد ہوا۔ ٹی پی ایل روپیہ نے نقل و حمل کی صنعت میں اپنی خدمات کو بڑھانے کا مزید کی منصوبہ بندی جاری ہے۔

ٹی پی ایل روپیہ نے ماس ٹرانزٹ صارفین کے کیش لیس ادائیگی کو متعارف کرنے کے لئے یو پی ایل اومنی سے بھی ہاتھ ملایا تاکہ وہ اس سے بہرہ مند ہو سکیں۔ ایل ٹی سی صارفین یو پی ایل اومنی ایجنٹ سے مل سکتے ہیں اور اپنے ایم۔ والٹ اکاؤنٹ کھول سکتے ہیں اور ایک این ایف سی (نزدیک فیلڈ مواصلات) قابل ٹیک / کارڈ حاصل کر سکتے ہیں جس سے وہ اپنی یومیہ کرائے کی ادائیگی ممکن بنا سکتے ہیں۔

اپنی نوعیت کی ایک اور پہلی "ٹیپ این پی" سلوشن کے ذریعہ، کسٹمرز موبائل ڈیوائس (جو کہ بس میں لگی ہوگی) پر اپنا این ایف سی کارڈ ٹیپ کر کے تیز، آسان اور محفوظ ادائیگی کر کے اپنے کارڈ کی تصدیق اور ٹکٹ جاری کر سکتے ہیں۔

## مستقبل کا جائزہ:

اپنے کاروباری کاموں کو کنٹرول کرنے اور ان کا نظم و نسق کیلئے جدید ترین ٹیکنالوجی فراہم کر کے پبلک ٹرانسپورٹ سسٹم (طویل فاصلے) کو تبدیل کرنا۔ اس تبدیلی کے ساتھ، ٹرانسپورٹ مسافروں کی بنیاد پر اضافہ کرے گا، بسوں کی لوکیشن / ٹریکنگ خدمات حاصل کرے گا، آپریشن لاگت میں کمی آئے گی، روٹ کی منصوبہ بندی کرنے کے قابل ہوگی، چوری / غلط استعمال پر کنٹرول، مسافروں کو موبائل یا ویب انٹرفیس کے ذریعے آن لائن لوکیشن حاصل ہوگی۔

## ۴۔ داخلی کنٹرول سسٹم

کمپنی کا داخلی کنٹرول سسٹم ہے، جو اپنے کاموں کے سائز، پیمانے اور پیچیدگی کے عین مطابق ہے۔ داخلی آڈٹ نظام کے دائرہ کار اور اختیار کی وضاحت داخلی آڈٹ چارٹر میں موجود ہے۔ اس مقصد کے لئے، داخلی آڈٹ نظام، بورڈ کی آڈٹ کمیٹی کے چیئرمین کو رپورٹ کرتا ہے۔ داخلی آڈٹ کا شعبہ داخلی کنٹرول سسٹم کی کارکردگی اور اہلیت، اس کے آپریٹنگ سسٹم، کمپنی کے تمام مقامات پر اکاؤنٹنگ کے طریقہ کار اور پالیسیاں کی تکمیل و تعمیل اور اس کی معاون کمپنیوں کی نگرانی اور جانچ پڑتال کرتا ہے۔ داخلی آڈٹ نظام کی رپورٹ کی بنیاد پر، متعلقہ اہلکار / مکان اپنے اپنے شعبے میں اصلاحی کارروائی کرتے ہیں اور اس طرح کنٹرول کو مضبوط کرتے ہیں۔ اہم آڈٹ مشاہدات اور اس پر اصلاحی اقدامات بورڈ کی آڈٹ کمیٹی کو پیش کیے جاتے ہیں۔

## ۵۔ کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آر اے) نے ٹی پی ایل کارپوریشن لمیٹڈ کو طویل مدتی کمپنی کی درجہ بندی "اے" (سنگل اے) اور اے (اے ون) کی کمزور مدتی کمپنی کی درجہ بندی تفویض کی ہے۔ یہ درجہ بندی مستحکم جائزہ اور اعلیٰ کریڈٹ کوالٹی کی نشاندہی کرتی ہے۔

## ۶ گزشتہ چھ سالوں کے اہم مالی کوائف

2014 Rupees	2015 Rupees	2016 Rupees	2017 Rupees	2018 Rupees	2019 Rupees
2,172,490	2,172,490	2,172,490	2,172,490	2,372,978	<b>2,672,978</b>
-	-	-	-	60,856	<b>60,856</b>
364,746	901,176	533,817	548,301	559,609	<b>230,753</b>
-	-	-	228,791	228,061	<b>555,060</b>
184,734	806,560	2,525,421	3,978,088	4,220,516	<b>4,618,490</b>
-	-	-	-	-	-
<b>2,721,970</b>	<b>3,880,226</b>	<b>5,231,727</b>	<b>6,927,669</b>	<b>7,442,020</b>	<b>8,138,137</b>

بیلنس شیٹ

اداشدہ سرمایہ حصص

مختص شدہ سرمایہ

مختص شدہ آمدن

ازسرنو تخمینے پر سرپلس

غیر انضباطی سود

شیرزکی فروخت پرائیڈوانس

کل ایکویٹی

841,158	3,301,289	3,934,215	4,255,897	6,181,169	<b>5,817,025</b>
-	628,648	123,792	87,950	504,988	<b>1,173,752</b>
1,238,005	1,232,292	920,786	1,076,191	2,889,743	<b>3,000,982</b>
<b>2,079,163</b>	<b>5,162,229</b>	<b>4,978,793</b>	<b>5,420,038</b>	<b>9,575,900</b>	<b>9,991,760</b>

طویل المدت اور قلیل المدت فنانس

متعلقہ پارٹیوں پر واجب الادا

دیگر واجبات

کل واجبات

775,464	4,488,355	4,741,405	6,087,598	7,775,507	<b>7,831,344</b>
675,355	1,321,227	1,305,465	1,799,521	2,214,072	<b>2,760,069</b>
1,946,378	1,552,788	1,628,358	1,879,278	2,852,374	<b>3,050,371</b>
663,276	873,160	1,086,023	1,254,031	1,412,187	<b>1,397,980</b>
236,916	253,414	294,125	357,217	326,692	<b>267,410</b>
390,132	291,806	227,369	479,958	1,484,639	<b>2,050,373</b>
113,612	261,706	927,774	490,104	952,450	<b>772,349</b>
<b>4,801,133</b>	<b>9,042,455</b>	<b>10,210,520</b>	<b>12,347,707</b>	<b>17,017,920</b>	<b>18,129,896</b>

سرمایہ کاری

غیر منقولہ جائیداد

دیگر غیر موجودہ اثاثہ جات

تجارتی قرضہ

اسٹاک ان ٹریڈ

دیگر موجودہ اثاثہ جات

زرنفدا اور بینک ڈپازٹس

کل اثاثہ جات



2014 Rupees	2015 Rupees	2016 Rupees	2017 Rupees	2018 Rupees	2019 Rupees
2,084,622	2,178,542	2,037,361	2,168,433	3,471,416	<b>4,323,877</b>
(1,233,827)	(1,301,779)	(929,333)	(1,168,704)	(1,960,689)	<b>(2,632,727)</b>
850,795	876,763	1,108,028	999,729	1,510,727	<b>1,691,150</b>
(240,049)	(226,821)	(222,153)	(214,247)	(282,608)	<b>(351,365)</b>
(443,340)	(448,491)	(393,627)	(501,505)	(1,031,399)	<b>(1,225,754)</b>
(4,561)	(79,266)	(69,974)	(1,360)	(97,312)	<b>(30,823)</b>
162,845	122,184	422,274	282,617	99,409	<b>83,209</b>
(82,788)	(312,566)	(369,731)	(334,820)	(507,568)	<b>(740,582)</b>
74,922	679,839	235,642	348,374	1,145,124	<b>849,980</b>
46,104	(48,591)	8,732	16,962	(13,147)	<b>(11,492)</b>
-	-	-	-	-	-
201,083	440,865	296,917	313,134	723,818	<b>181,115</b>
(68,242)	11,085	(65,288)	(44,854)	(59,570)	<b>(98,730)</b>
132,841	451,950	231,629	268,280	664,248	<b>82,385</b>
129	450	-	229,008	(12,326)	<b>351,576</b>
132,970	452,400	231,629	497,368	651,922	<b>433,961</b>
0.53	1.54	0.29	0.09	0.05	<b>(1.20)</b>

ٹرن اوور-نیٹ

آمدنی

مجموعی نفع

فروختی کی لاگت

انتظامی اخراجات

انتظامی اور دیگر اخراجات

انتظامی منافع

مالیاتی چارجز

دیگر آمدن

ایسوسی ایٹ-نیٹ نفع نقصان

ایکسچینج میں نقصان

قبل از محصول نفع نقصان

محصولات

بعد از محصول نفع نقصان

دیگر مجموعی آمدن

کل مجموعی آمدن

ای پی ایس (EPS)

۷. اڈیٹرز:

میسرز ای وائے فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تقرری کیلئے اپنے آپ کو پیش کیا ہے۔ بورڈ آف ڈائریکٹرز ان کی بطور اڈیٹرز برائے مالی سال اختتام ۲۰۲۰ جون، تک کیلئے باہمی رضامندی پر طے ہونے والی فیس پر تقرری کی سفارش کرتی ہیں۔

## ڈائریکٹر ٹریننگ:

پاکستان اسٹاک ایکسچینج کی مروجہ قوانین ۱۹۷۵ء اور قانون ۲۰۲۰ء فہرست شدہ کمپنیز کوڈ آف کارپوریٹ گورننس ۲۰۱۷ء کے تحت کمپنی پر باضابطہ ذمہ داری عائد ہوتی ہے کہ وہ ڈائریکٹر ٹریننگ پروگرام کو مکمل کریں۔

### ادارہ جاتی اور مالیاتی رپورٹنگ کے ڈھانچے پر اسٹیٹمنٹ

بورڈ اپنی ادارہ جاتی ذمہ داریاں جو کہ کوڈ برائے کارپوریٹ گورننس میں سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) کی طرف سے لگائی گئی ہیں ان سے پوری طرح آگاہ ہے اور بڑی خوشی کے ساتھ تصدیق کرتا ہے کہ:

- مالیاتی اسٹیٹمنٹ جو کہ کمپنی کی طرف سے تیار کی گئی ہیں، وہ مکمل طور پر اپنی چیزوں شفافیت رکھے ہوئے ہیں، جو کہ آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی پر ہیں۔
- کمپنیز ایکٹ ۲۰۱۷ء کے تحت کمپنی کے کھاتے مناسب طور پر مرتب کئے گئے ہیں۔
- مالیاتی اسٹیٹمنٹ کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو لاگو کیا جائے گا۔ کھاتوں کا تخمینہ بہتر تجزیے اور صحیح وجہ کی بنیاد پر لگایا جائے گا۔
- بین الاقوامی مالیاتی رپورٹنگ معیار، پاکستان میں مضاربہ پر لاگو، مالیاتی اسٹیٹمنٹ کی تیاری میں کسی بھی چیز کو حذف کرنے کی مناسب وجہ بیان کی گئی ہے۔
- اندرونی انتظام کو موثر طریقے سے نافذ العمل کیا گیا ہے۔ اس نظام کو اندرونی احتساب / آڈٹ و دیگر ذرائع کے تحت مسلسل جائزہ لیا جاتا رہا ہے۔
- کمپنی کی بنیاد (اصول و ضوابط) بہت مضبوط ہیں اور جس طرح کمپنی چل رہی ہے اس میں کسی بھی قسم شکوک و شبہات باقی نہیں رہتے۔
- کمپنی کارپوریٹ گورننس کے بہترین طریقہ کار جو کہ اسٹاک ایکسچینج کی فہرست شدہ قوانین کے مطابق ہیں پر عمل پیرا ہے اور کسی بھی قسم کا میٹریل باہر نہیں گیا ہے۔
- ۶ سال کے اہم آپریٹنگ اور مالی اعداد و شمار اس سالانہ رپورٹ میں خلاصہ کی شکل میں پیش کئے گئے ہیں۔
- آڈیٹڈ اکاؤنٹس کی بنیاد پر پروویڈنٹ فنڈ نکال کر سرمایہ کاری کی قدر ۳۰ جون، ۲۰۱۹ء کو ۷۷۷.۱۰ ملین ہے۔

## شئیر ہولڈنگ کا طریقہ

۳۰ جون ۲۰۱۹ کو کمپنی کی شئیر ہولڈنگ کا گوشوارہ مندرجہ ذیل ہے۔

حصص یافتگان کی کٹیگری	رکھے جانے والے حصص کی تعداد	شئیر ہولڈنگ کی شرح فیصد
منسلک کمپنیز	166,680,748	62%
پبلکس، ڈی ایف آئی اور این بی ایف آئی	10,880,500	4%
انشورنس کمپنیز	35,000	0.01%
میوچل فنڈز	3,305,500	1%
عام عوام (مقامی)	77,767,627	29%
عام عوام (غیر ملکی)	3,499,640	1%
دیگر	5,000,748	2%
مضاربہ	128,000	0.05%
کل	267,297,763	100

۳۰ جون ۲۰۱۹ کو کمپنی کی شئیر ہولڈرز کی جانب سے شئیر ہولڈنگ کا طریقہ کار:

حصص یافتگان کی تعداد	حاصل حصص (سے)	حاصل حصص (تک)	حاصل حصص	شرح فیصد
3550	100	1	290	0.0013
290213	500	101	593	0.1086
628019	1000	501	638	0.235
4508940	5000	1001	1494	1.6869
5418660	10000	5001	644	2.0272
3397143	15000	10001	260	1.2709
3366896	20000	15001	180	1.2596
3244486	25000	20001	136	1.2138
2284000	30000	25001	80	0.8545
1950301	35000	30001	58	0.7296
1714000	40000	35001	44	0.6412
1205738	45000	40001	28	0.4511
2775803	50000	45001	56	1.0385
1060000	55000	50001	20	0.3966
646000	60000	55001	11	0.2417
694000	65000	60001	11	0.2596
882736	70000	65001	13	0.3302
952500	75000	70001	13	0.3563
1020500	80000	75001	13	0.3818
418000	85000	80001	5	0.1564
443500	90000	85001	5	0.1659
461000	95000	90001	5	0.1725
2994877	100000	95001	30	1.1204
520000	105000	100001	5	0.1945
653500	110000	105001	6	0.2445
458000	115000	110001	4	0.1713
357500	120000	115001	3	0.1337
875000	125000	120001	7	0.3274
383500	130000	125001	3	0.1435

شرح فیصد	حامل حصص	حامل حصص (تک)	حامل حصص (سے)	حصص یافتگان کی تعداد
0.0986	2	130001	135000	263500
0.2089	4	135001	140000	558500
0.266	5	140001	145000	711000
0.3356	6	145001	150000	897000
0.0572	1	150001	155000	153000
0.3274	5	170001	175000	875000
0.1384	2	180001	185000	370000
0.1395	2	185001	190000	373000
0.1444	2	190001	195000	386000
0.6723	9	195001	200000	1797000
0.2331	3	205001	210000	623000
0.0816	1	215001	220000	218000
0.2503	3	220001	225000	669000
0.1708	2	225001	230000	456500
0.0874	1	230001	235000	233500
0.0905	1	240001	245000	242000
0.654	7	245001	250000	1748000
0.2898	3	255001	260000	774500
0.104	1	275001	280000	278000
0.1104	1	290001	295000	295000
0.4489	4	295001	300000	1200000
0.119	1	315001	320000	318000
0.2464	2	325001	330000	658500
0.1242	1	330001	335000	332000
0.1298	1	345001	350000	347000
0.2684	2	355001	360000	717500
0.2739	2	365001	370000	732000
0.2817	2	375001	380000	753000
0.1435	1	380001	385000	383500
0.1442	1	385001	390000	385500
0.1474	1	390001	395000	394000
0.1496	1	395001	400000	400000
0.1562	1	415001	420000	417500
0.1596	1	425001	430000	426500
0.1665	1	440001	445000	445000
0.1751	1	465001	470000	468000
0.1833	1	485001	490000	490000
0.9353	5	495001	500000	2500000
0.1923	1	510001	515000	514000
0.1964	1	520001	525000	525000
0.206	1	550001	555000	550500
0.2187	1	580001	585000	584500
0.2245	1	595001	600000	600000
0.243	1	645001	650000	649500
0.2467	1	655001	660000	659500
0.2619	1	695001	700000	700000
0.2684	1	715001	720000	717500
0.2956	1	785001	790000	790000
0.3367	1	895001	900000	900000
0.381	1	1015001	1020000	1018500
0.3893	1	1040001	1045000	1040500
0.4583	1	1220001	1225000	1225000
0.4676	1	1245001	1250000	1250000
0.4863	1	1295001	1300000	1300000
0.5238	1	1395001	1400000	1400000
0.5303	1	1415001	1420000	1417500
0.5481	1	1460001	1465000	1465000
0.621	1	1655001	1660000	1660000
0.6742	1	1800001	1805000	1802000
0.7793	1	2080001	2085000	2083000
1.2765	1	3410001	3415000	3412000
1.4959	1	3995001	4000000	3998500
1.9267	1	5145001	5150000	5150000
13.0977	1	35005001	35010000	35009900
48.6265	1	129975001	129980000	129977501
<b>100</b>	<b>4772</b>	<b>Company</b>	<b>Total</b>	<b>267297763</b>

## اضافی معلومات

حاصل حصص کی تعداد	منسلک کمپنیز، حلف نامے اور متعلقہ پارٹنرز (ناموں کے ساتھ تفصیلات)
166,680,401 347	TPL ہولڈنگز (پرائیویٹ) لمیٹڈ TPL ڈائریکٹ انشورنس لمیٹڈ - ایمپلائیز پراویڈنٹ فنڈ
	میو چائل فنڈز (ناموں کے ساتھ تفصیلات)
1,660,000 40,000 55,000 385,500 7,000 200,000 140,000 218,000 1,500 229,000 207,500 50,000 100,000 12000	ARIF HABIB LIMITED ASDA SECURITIES (PRIVATE) LIMITED - MF AXIS GLOBAL LIMITED - MF CDC - TRUSTEE AKD OPPORTUNITY FUND JS GLOBAL CAPITAL LIMITED - MF MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD. MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES(P)LTD - MF MRA SECURITIES LIMITED - MF N. U. A. SECURITIES (PRIVATE) LIMITED - MF PEARL SECURITIES LIMITED - MF STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND WATEEN TELECOM LIMITED STAFF GRATUITY FUND DAWOOD EQUITIES LIMITED - MF
	ڈائریکٹرز، سی ای اور ان کے لواحقین اور چھوٹے بچے (ناموں کے ساتھ تفصیلات)
500 1	مندرجہ ذیل ڈائریکٹر TPL ہولڈنگز (پرائیویٹ) لمیٹڈ کے نامزد ڈائریکٹرز ہیں اور 30 جون 2019 تک کمپنی کے کسی بھی حصص کے حامل نہیں ہیں۔ جناب جمیل یوسف (S.St.) جناب بلال علی بھائی مندرجہ ذیل ڈائریکٹر حضرات کمپنی کے آزاد ڈائریکٹرز ہیں اور 30 جون 2019 تک کسی حصص کے حامل نہیں ہیں۔ جناب ندیم ارشد الہی جناب مارک روسیو مندرجہ ذیل ڈائریکٹر حضرات کمپنی کے ایگزیکٹو ڈائریکٹرز ہیں اور 30 جون 2019 تک کسی حصص کے حامل نہیں ہیں۔ جناب محمد علی جمیل محترمہ صبیحہ سلطان مندرجہ ذیل نان ایگزیکٹو ڈائریکٹر حضرات کمپنی کے ۳۰ جون ۲۰۱۹ تک شئیر رکھتے ہیں جناب ظفر الحسن نقوی جناب محمد شفیع
	ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے لواحقین اور چھوٹے بچوں کی جانب سے حصص میں کی گئی ٹریڈنگ کی تفصیلات
	دوران سال کسی بھی ڈائریکٹر، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے لواحقین اور چھوٹے بچوں کی جانب کمپنی کے حصص کی خرید و فروخت عمل میں نہیں آئی۔



## ۱۱ بورڈ میٹنگز:

اس مالی سال کے دوران بورڈ آف ڈائریکٹرز کی ۶ میٹنگز ہوئی ہیں۔ ڈائریکٹرز کی حاضری کی نشاندہی درج ذیل ہے۔

ڈائریکٹر کا نام	میٹنگ میں حاضری
جناب جمیل یوسف (S.St)	۵
جناب علی جمیل	۶
وائس ایڈمرل (ر) محمد شفیع حنی (ایم)	۶
جناب مارک ڈین روسو	۶
محترمہ صبیحہ سلطان	۴
جناب ندیم ارشد الہی	۵
میجر جنرل (ر) ظفر الحسن نقوی	۴
جناب بلال علی بھائی	۵

## ۱۲ اظہار تشکر

ہم کمپنی کے شیئر ہولڈرز کا ہم پر اعتماد کرنے پر شکریہ ادا کرتے ہیں۔ ساتھ ہی بورڈ شکر گزار ہے کہ جو تعاون اور مدد کا جو اسے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP)، فیڈرل بور آف ریونیو (FBR) اور ایکسچینج کمیشن آف پاکستان نے گاہے بگاہے کی۔ اور ہم شکریہ ادا کرنا چاہتے ہیں اپنے ملازمین کا، اسٹریٹیجک شراکت داروں کو، ویبڈرز کا، سپلائرز اور کسٹمرز کا جن کی مدد سے ہم نے اپنے ادارہ جاتی اہداف مکمل کئے۔



JAMEEL YUSUF (S.ST.)  
DIRECTOR



ALI JAMEEL  
CHIEF EXECUTIVE OFFICER

## INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF TPL CORP LIMITED

### Review Report on the Statement of Compliance Contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Code'), prepared by the Board of Directors of **TPL Corp Limited** for the year ended **30 June 2019** in accordance with the requirements of Regulation 40 of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended 30 June 2019.

Further, we highlight below instance of non-compliance with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017 as reflected in the paragraph reference where it is stated in the Statement of Compliance:

#### Reference Description

I.12 The members of audit committee include an executive director.



Chartered Accountants  
Place: Karachi  
Date: October 03, 2019

# STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Company: **TPL Corp Limited**

Year ended: **30 June 2019**

The Company has complied with the requirements of the Listed Companies (Code Of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Code') in the following manner:

1. The total number of Directors are eight (08) as per the following:

- a. Male: 07
- b. Female: 01

2. The composition of the Board is as follows:

Category	Names
<b>Independent Director</b>	Mr. Nadeem Arshad Elahi Mr. Mark Dean Rousseau
<b>Other Non-executive Directors</b>	Mr. Jameel Yusuf Ahmed Mr. Bilal Alibhai Mr. Syed Zafar-al-Hassan Naqvi Mr. Muhammad Shafi
<b>Executive Directors</b>	Mr. Muhammad Ali Jameel Mrs. Sabiha Sultan Ahmad

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and Code.

# STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Code with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Code.
9. The Board has duly complied with the Directors' Training Program requirements and the criteria as prescribed in the Code. As at 30 June 2019, five directors namely Mr. Bilal Alibhai, Mr. Nadeem Arshad Elahi, Mr. Jameel Yousuf, Mr. Mohammad Ali Jameel and Mr. Muhammad Shafi are compliant with the required training program. Certification of the remaining Directors will be obtained in accordance with the requirements of the Code.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Code. However, no new appointments were made during the year, except for the appointment of Chief Financial Officer.
11. The Chief Financial Officer and Chief Execution Officer have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below.

<b>Audit Committee</b>	Mr. Nadeem Arshad Elahi – Chairman Syed Zafar-al-Hasan Naqvi – Member *Mrs. Sabiha Sultan Ahmad – Member Mr. Yousuf Zohaib Ali – Secretary
<b>HR and Remuneration Committee</b>	Mr. Nadeem Arshad Elahi – Chairman Mr. Mohammad Ali Jameel – Member Mr. Zafar-ul-Hassan Naqvi – Member Mr. Nader Nawaz – Secretary

\*The member of the audit committee should be non-executive director however, out of the three members of the Audit Committee, the status of one of the directors was changed to executive director during the year. The Company will take necessary actions in the upcoming board meeting towards compliance of this requirement.

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

# STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

Name of Committee	Frequency of Meeting
<b>Audit Committee</b>	The Board Audit Committee has met on quarterly basis.
<b>HR and Remuneration Committee</b>	The HR and Remuneration Committee has met on half yearly basis.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Code or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Code have been complied with, except for matter as stated in point 12 above, towards which reasonable progress is being made by the Company to seek compliance shortly.



Signature (s)  
Jameel Yusuf Ahmed (S.St)  
Chairman

# INDEPENDENT AUDITORS' REPORT

## To the members of TPL Corp Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **TPL Corp Limited** (the Company), which comprise the statement of financial position as at **30 June 2019**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How the matter was addressed in our audit
<b>1. Valuation of investment in subsidiaries</b>	
<p>(Refer notes 8 and 28.4 to the accompanying financial statements)</p> <p>The Company's investment in subsidiaries represents the significant portion of its assets. These investments are measured at fair value on the basis of observable market prices, where such prices are available, and by applying valuation techniques, where quoted prices are not available.</p> <p>We considered valuation of subsidiaries as a key audit matter due to volatility in the quoted equity prices and the judgment involved in estimating future cashflows in relation to the subsidiaries for the purpose of applying valuation techniques.</p>	<p>Our audit procedures amongst others, comprised understanding the management process for valuation of investments, considered whether the application of methodologies are consistent with generally accepted valuation methodologies and prior periods, and that assumptions and inputs used are consistent, in all material respects, with the business' past performance and management business strategy.</p> <p>We involved our specialists to assess the appropriateness of the methodology and assumptions used by the management to determine the fair value of investment in unquoted subsidiaries. As part of these audit procedures, our specialists:</p> <ul style="list-style-type: none"> <li>- assessed whether, for a selection of models, the model valuation methodology is appropriate;</li> <li>- reviewed the accuracy of key inputs used in the valuation such as the expected cash flows, discount and inflation rates used by benchmarking them with external data; and</li> <li>- evaluated the Company's assessment, whether objective evidence of impairment exists for individual investments.</li> </ul> <p>We tested the allocation of investments to the correct level (1 and 2) within the fair value hierarchy in line with the established policy, and that the policy classifications were appropriate.</p> <p>We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards.</p>

#### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.



Chartered Accountants  
Place: Karachi  
Date: October 03, 2019

# STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,109,847	-
Intangible assets	7	727,223	641,667
Long-term investments	8	5,129,258,792	4,571,814,415
		<b>5,131,095,862</b>	<b>4,572,456,082</b>
<b>CURRENT ASSETS</b>			
Advances	9	12,902,868	10,000,000
Trade deposits and prepayments	10	100,000	970,000
Interest accrued	11	617,237	7,900
Short-term investments	12	-	85,030,449
Due from related parties	13	489,167,114	68,036,252
Taxation – net	14	33,105,923	33,105,923
Cash and bank balances	15	7,393,912	1,747,962
		<b>543,287,054</b>	<b>198,898,486</b>
<b>TOTAL ASSETS</b>		<b>5,674,382,916</b>	<b>4,771,354,568</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
330,000,000 (2018: 330,000,000) ordinary shares of Rs.10/- each		<b>3,300,000,000</b>	<b>3,300,000,000</b>
Issued, subscribed and paid-up capital	16	2,672,977,630	2,372,977,630
Capital reserves		60,855,762	60,855,762
Revenue reserves		7,906,620	163,240,718
Other component of equity		798,550,090	526,136,162
		<b>3,540,290,102</b>	<b>3,123,210,272</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	17	-	398,226,229
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	23,012,924	4,200,000
Accrued mark-up	19	72,611,078	6,492,426
Short-term financing	20	533,279,917	-
Current portion of non-current liabilities	17	400,000,000	789,477,679
Due to related parties	21	1,100,459,312	445,000,000
Unclaimed dividend		1,729,583	1,747,962
Unpaid dividend		3,000,000	3,000,000
		<b>2,134,092,814</b>	<b>1,249,918,067</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,674,382,916</b>	<b>4,771,354,568</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
Dividend income		174,751,920	-
Administrative expenses	23	(126,536,614)	(41,079,823)
<b>Operating profit / (loss)</b>		<b>48,215,306</b>	<b>(41,079,823)</b>
Finance costs	24	(177,945,952)	(61,968,477)
Other income	25	609,338	7,900
<b>Loss before taxation</b>		<b>(129,121,308)</b>	<b>(103,040,400)</b>
Taxation	26	(26,212,790)	-
<b>Loss for the year</b>		<b>(155,334,098)</b>	<b>(103,040,400)</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Fair value gain on equity instruments designated at fair value through other comprehensive income (FVOCI)	8.8	272,413,928	456,462,566
<b>Total comprehensive income for the year</b>		<b>117,079,830</b>	<b>353,422,166</b>
<b>Loss per share – basic and diluted</b>	27	<b>(0.63)</b>	<b>Restated (0.48)</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid-up capital	Capital reserve created under Scheme of Arrangement (note 1.5)	Revenue reserve - unappropriated profits	Fair value reserve of financial assets designated at FVOCI	Surplus on revaluation of property, plant and equipment	Total reserves	Total equity
	Rupees						
<b>Balance as at June 30, 2017</b>	2,172,489,630	-	719,545,333	69,673,596	228,790,596	1,018,009,525	3,190,499,155
Reserve transferred under							
Scheme of Arrangement (note 1.5)	-	-	(398,951,974)	-	(228,790,596)	(627,742,570)	(627,742,570)
Reserve arising as a consequence of							
Scheme of Arrangement (note 1.5)	-	60,855,762	-	-	-	60,855,762	60,855,762
Issuance of ordinary shares (note 1.5)	200,488,000	-	-	-	-	-	200,488,000
Loss for the year	-	-	(103,040,400)	-	-	(103,040,400)	(103,040,400)
Other comprehensive income							
for the year, net of tax	-	-	-	456,462,566	-	456,462,566	456,462,566
Total comprehensive (loss) / income							
for the year	-	-	(103,040,400)	456,462,566	-	353,422,166	353,422,166
Final dividend for the year ended							
June 30, 2017 @ Re.0.25 per share	-	-	(54,312,241)	-	-	(54,312,241)	(54,312,241)
<b>Balance as at June 30, 2018</b>	<b>2,372,977,630</b>	<b>60,855,762</b>	<b>163,240,718</b>	<b>526,136,162</b>	<b>-</b>	<b>750,232,642</b>	<b>3,123,210,272</b>
Issuance of ordinary right shares (note 1.4)	300,000,000	-	-	-	-	-	300,000,000
Loss for the year	-	-	(155,334,098)	-	-	(155,334,098)	(155,334,098)
Other comprehensive income							
for the year, net of tax	-	-	-	272,413,928	-	272,413,928	272,413,928
Total comprehensive (loss) / income							
for the year	-	-	(155,334,098)	272,413,928	-	117,079,830	117,079,830
<b>Balance as at June 30, 2019</b>	<b>2,672,977,630</b>	<b>60,855,762</b>	<b>7,906,620</b>	<b>798,550,090</b>	<b>-</b>	<b>867,312,472</b>	<b>3,540,290,102</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



# STATEMENT OF CASH FLOWS

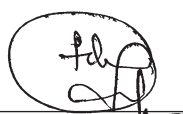
FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(129,121,308)	(103,040,400)
Adjustment for non-cash charges and other items:			
Depreciation	6.1	76,653	-
Amortisation	7.1	354,444	18,333
Finance costs	24	177,945,952	61,968,477
		178,377,049	61,986,810
<b>Operating profit / (loss) before working capital changes</b>		49,255,741	(41,053,590)
<b>(Increase) / decrease in current assets</b>			
Advances		(152,500)	(10,000,000)
Trade deposits and prepayments		870,000	(970,000)
Interest accrued		(609,337)	(7,900)
Due from related parties		(425,507,730)	(65,993,982)
		(425,399,567)	(76,971,882)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		18,812,924	(37,526,269)
Due to related parties		655,459,312	445,000,000
		674,272,236	407,473,731
<b>Cash flows generated from operations</b>		298,128,410	289,448,259
Payments for:			
Finance costs		(111,827,300)	(47,760,964)
Income taxes – net	14	(26,212,790)	-
		(138,040,090)	(47,760,964)
<b>Net cash flows generated from operating activities</b>		160,088,320	241,687,295
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of – property, plant and equipment	6.1 & 30.1	-	-
– intangible assets	7.1 & 30.1	-	(660,000)
Purchase of investment in TPL Life Insurance Limited		(200,000,000)	(1,366,703,873)
<b>Net cash flows used in investing activities</b>		(200,000,000)	(1,367,363,873)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of ordinary right shares	1.4	300,000,000	-
Dividend paid		(18,379)	(53,643,080)
Long-term financing – net*		(787,703,908)	1,179,988,819
Short-term financing – net*		533,279,917	-
<b>Net cash flows from financing activities</b>		45,557,630	1,126,345,739
<b>Net increase in cash and cash equivalents</b>		5,645,950	669,161
Cash and cash equivalents at the beginning of the year		1,747,962	(836,364,972)
Cash and cash equivalents transferred under Scheme of Arrangement	15	-	837,443,773
<b>Cash and cash equivalents at the end of the year</b>	15	7,393,912	1,747,962

\*No non-cash item is included in these activities.

The annexed notes from 1 to 33 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 1. LEGAL STATUS AND OPERATIONS

**1.1** TPL Trakker Limited (the Company) was incorporated in Pakistan on December 04, 2008 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). In year 2009, the Company was converted into a public company and got listed on Pakistan Stock Exchange Limited effective from July 16, 2012. The name of the Company was changed to TPL Corp Limited effective from November 24, 2017. The registered office of the Company is situated at Centrepont Building, Off Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi. The principal activity of the Company is to make investment in group and other companies.

### 1.2 Geographical location and address of business unit is as under:

Location	Address
Corporate office, Karachi	12th and 13th floor, Centrepont, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange, Karachi.

**1.3** TPL Holdings (Private) Limited is the parent company, which holds 166,680,401 (2018: 135,244,574) ordinary shares of the Company representing 62.36 percent (2018: 56.99 percent) shareholding as of the reporting date.

**1.4** During the year, the Company has issued 30 million ordinary right shares at par i.e. Rs.10 each amounting to Rs.300 million.

**1.5** During the year ended June 30, 2018, TPL Corp Limited (the parent company) had transferred net assets of Rs.383.291 million and Rs.607.771 million related to its Maps and Tracking businesses to the wholly owned subsidiaries namely TPL Maps (Pvt.) Limited and TPL Trakker Limited, respectively, effective from July 01, 2017 under the Scheme of Arrangement (the Scheme) sanctioned / approved by Honorable High Court of Sindh vide its order No. J.C.M. Petition No. 48 of 2016 dated November 17, 2017, in consideration for ordinary shares of these subsidiaries.

Under the said Scheme, the Company has also acquired 21.104 million ordinary shares of TPL Properties Limited (a subsidiary company) from TPL Holdings (Private) Limited (the ultimate parent company) in consideration of issuance of 20.048 million ordinary shares of the Company at par in a swap ratio 0.95. Resultantly, the capital reserve of Rs.60.856 million was created in the financial statements under the said Scheme.

**1.6** These financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries and associates have been accounted for at fair value and cost less accumulated impairment losses, if any, respectively. As of reporting date, the Company has the following subsidiaries and associates:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	% of shareholding	
	2019	2018
<b>Subsidiaries</b>		
TPL Insurance Limited [TIL] - (note 8.1)	<b>93.51</b>	93.51
TPL Properties Limited [TPLP] - (note 8.2)	<b>29.62</b>	29.62
Centrepont Management Services (Private) Limited (sub-subsidiary) [CMS]	<b>29.62*</b>	29.62*
HKC Limited (sub-subsidiary) [HKC]	<b>29.62*</b>	29.62*
G-18 (Private) Limited (sub-subsidiary) [G-18]	<b>29.62*</b>	29.62*
TPL REIT Management Company Limited (sub-subsidiary) [TPL REIT]	<b>29.62*</b>	-
TPL Life Insurance Limited [TPL Life] - (note 8.3)	<b>78.3</b>	86.43
TPL Maps (Pvt.) Limited [TMPL] - (note 8.4)	<b>100</b>	100
TPL Trakker Limited [TTL] - (note 8.5)	<b>100</b>	100
TPL Security Services (Private) Limited [TSS] - (note 8.6)	<b>99.90</b>	99.90
TPL Rupiya (Private) Limited [TRPL] - (note 8.7)	<b>100</b>	100
<b>Associates</b>		
Trakker Middle East LLC [TME] - (note 12)	-	29

\* Represents direct holding of TPLP as at the reporting date.

## 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

## 3. BASIS OF PREPARATION

These financial statements have been prepared under the 'historical cost' convention, unless otherwise specifically stated.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Standards, amendments, interpretations and improvements adopted during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as stated below:

#### New / amended standards, interpretations and improvements

The Company has adopted the new / amended standards, interpretations and improvements to IFRSs which became effective for the current year:

IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
IFRS 9	Financial Instruments

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

IFRS 15 Revenue from Contracts with Customers  
IAS 40 Investment Property: Transfers of Investment Property (Amendments)  
IFRIC 22 Foreign Currency Transactions and Advance Consideration

## Improvements to accounting standard issued by IASB in December 2016

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoption of the above standards, interpretations and improvement to standards did not have any material effect on these financial statements in the period of initial application except for adoption of IFRS 9 'Financial Instruments' as explained below.

## IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments', has replaced IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39) for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

IFRS 9 eliminated the previous IAS 39 categories of financial assets (a) loans and receivables; (b) available-for-sale (AFS); (c) held-to-maturity, and (d) fair value through profit or loss, and replaced them with the classification categories (a) amortised cost; (b) fair value through other comprehensive income (FVOCI); and (c) fair value through profit or loss (FVTPL). The classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 has changed the accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires to recognise a loss allowance for ECLs on debt instruments measured subsequently at amortised cost or at FVOCI. There are no significant changes in the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

As allowed under IFRS 9, the Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements and therefore, the information presented for prior periods does not reflect the requirements of IFRS 9, but rather those of IAS 39. The initial application of IFRS 9 did not have any significant impact on the measurement and impairment of the Company's existing financial assets and liabilities as at July 01, 2018, accordingly, the opening retained earnings as of July 01, 2018 have not been restated in these financial statements.

The accounting policy in respect of financial instruments and impairment of financial assets is stated in note 4.7 to these financial statements.

### a) Classification and measurement

At transition date to IFRS 9, the management has reviewed and assessed the Company's existing financial assets at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 with regard to classification and measurement requirements did not have a significant impact on the Company's financial statements. The Company continued measuring at fair value all financial assets previously held at fair value under IAS 39. The following are the changes in the classification of the Company's financial assets:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

- deposits, receivables and cash at bank' previously classified as 'loans and receivables' under IAS 39 that were measured at amortised cost continue to be classified and measured at amortised cost under IFRS 9, as they are held within a business model to collect contractual cash flows and these cash flows consist of SPPI on the principal amount outstanding. Therefore, the change in the classification has no material impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in the period of initial application.
- equity investments in listed and non-listed companies previously classified as AFS financial assets under IAS 39 are now classified and measured as equity instruments designated at fair value through OCI (FVOCI) under IFRS 9. The Company elected to classify irrevocably its listed and non-listed equity investments under this category, as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods, as they were carried at fair value. As permitted by IFRS 9, the Company has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

## b) Impairment

For receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors and the economic environment. However, in certain cases, the Company has also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The adoption of the ECL requirements of IFRS 9 did not result in any difference in the existing impairment allowances of the Company's debt financial assets, if any. All bank balances are assessed to have a low credit risk, as they are held with reputable banking institutions.

## 4.2 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these financial statements:

### a) Operating fixed assets and intangible assets

The Company reviews the useful lives, methods of depreciation / amortisation and residual values of operating fixed assets on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible assets with a corresponding effect on the depreciation / amortisation charge and impairment. The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued assets is treated as revaluation decrease.

## **b) Investment in subsidiaries**

The Company value its investment in subsidiaries at fair value using fair value hierarchy; Level 1 – quoted prices (unadjusted) in active markets, Level 2 – valuations based on directly or indirectly observable market input and Level 3 – valuations based on unobservable market input. The Company determines whether objective evidence of impairment exists for individual investments. In these cases, the difference between amortised cost and fair value is transferred from other comprehensive income to the profit or loss. In addition, the determination of fair value of unquoted subsidiaries involves inherent subjectivity, key assumptions (such as future cash flow forecasts, discount and growth rates and volatility), and estimation relation to valuation inputs and techniques. Any change in these assumptions and estimates may have significant impact on the fair value of investments with corresponding impact in other comprehensive income.

## **c) Recognition of tax and deferred tax**

The provision for taxation is accounted for by the Company after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Company's view differs from the view taken by the tax authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these financial statements.

## **4.3 Property, plant and equipment**

### **4.3.1 Owned**

Property, plant and equipment (except for leasehold land and buildings on leasehold land) are stated at cost less accumulated depreciation and impairment losses, if any. Leasehold land and buildings on leasehold land are stated at revalued amounts, which are the fair value at the date of revaluation. Subsequently, these are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Depreciation is charged to profit or loss applying the straight-line method. Depreciation on additions during the year is charged from the month of addition when the asset is available for use, whereas, depreciation on disposals is charged upto the month in which the disposal takes place.

Rates of depreciation which are disclosed in note 6.1 to these financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalised and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to profit or loss, as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to profit or loss.

#### 4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

#### 4.3.3 Leased

Finance leases, which transfer to the Company, all the risks and benefits incidental to ownership of leased items are capitalised at the inception of lease. Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback transactions, if any, is deferred and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit or loss. Leased assets are depreciated on a straight line basis at the same rate as Company's owned assets as disclosed in note 6.1 to these financial statements.

#### 4.4 Intangible assets

Intangible assets other than goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Goodwill, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortisation is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The amortisation rate of the intangible assets are stated in note 7.1 to these financial statements. Full month's amortisation is charged in the month of addition when the asset is available for use, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

##### 4.4.1 Intangible assets under development

Intangible assets under development are stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made in respect of intangible assets under development in the course of their acquisition, erection, development and installation. The assets are transferred to relevant category of intangible assets when they are available for use.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.4.2 Business combinations and Goodwill

The Company uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at the acquisition date, being the excess of:

- a) the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and
- b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Company's interest in the identifiable net assets exceeds the fair value of consideration, the Company recognises the resulting gain in the profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is tested annually or whenever, there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss.

## 4.5 Surplus on revaluation of property and equipment

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

## 4.6 Investments in subsidiaries and associates

### 4.6.1 Investments in subsidiaries

Investment in subsidiaries are stated at fair value.

### 4.6.2 Investments in associates

Investments in associates are stated at cost less accumulated impairment losses, if any, in the value of such investments. A reversal of impairment loss on associates is recognised as it arises provided the increased carrying value does not exceed cost.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 4.7.1 Financial assets

#### 4.7.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts, (if any) are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### 4.7.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

##### a) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### b) Financial assets designated at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

## **c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as dividend income in the profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

## **d) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the profit or loss when the right of payment has been established.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.7.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- **the rights to receive cash flows from the asset have expired; or**
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## 4.7.1.4 Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables (if any), the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are past due over the agreed terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.7.2 Financial liabilities

### 4.7.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 4.7.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

#### b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

### 4.7.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

### 4.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 4.8 Impairment of non-financial assets, goodwill and investments in subsidiaries and associates

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

Impairment losses relating to goodwill are not reversed in future periods.

## 4.9 Stock-in-trade

Stock-in-trade is valued at the lower of cost, determined on a first-in-first-out basis and net realisable value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Spare parts and loose tools are valued at lower of weighted average cost and net realisable value, except items in transit, which are stated at cost. Spare parts and loose tools are charged to cost of goods sold on an estimated consumption pattern.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessarily to be incurred to make the sale.

## 4.10 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of statement of cash flow, cash and cash equivalents comprise bank balances net of book overdraft, if any.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.11 Staff retirement benefits - Defined contribution plan

The Company operates a recognised provident fund (defined contribution scheme) for its permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made, both by the Company and the employees at the rate of 8.33 percent of the basic salary. The contribution of the Company for the year is charged to the profit or loss.

## 4.12 Taxation

### Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

### Deferred

Deferred tax is recognised using the balance sheet method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

Deferred tax relating to items recognised directly in the other comprehensive income is recognised in the other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

## 4.13 Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.14 Operating leases / Ijarah agreements

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) / ijarah agreements are charged to the profit or loss on a straight line basis over the lease / ijarah term.

## 4.15 Revenue recognition

- a) Dividend income is recognised when the right to receive the dividend is established.
- b) Income on bank accounts are recognised using effective interest rate.
- c) Other income, if any, is recognised on accrual basis.

## 4.16 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 4.17 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## 4.18 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.

## 4.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

## 4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 4.21 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards		Effective date (annual periods beginning on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 3	Business Combinations: Previously held interests in a joint operation	January 01, 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments)	January 01, 2019
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11	Joint Arrangements Previously held interests in a joint operation	January 01, 2019
IFRS 16	Leases	January 01, 2019
IAS 1/ IAS 8	Definition of Material (Amendments)	January 01, 2020
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation	January 01, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Effective date  
(annual periods  
beginning  
on or after)**

January 01, 2016

January 01, 2021

## Standards

IFRS 14 Regulatory Deferral Accounts

IFRS 17 Insurance Contracts

## 5. DETAILS OF RELATED PARTIES

Name of a related party	Basis of relationship	Shareholding
TPL Holdings (Private) Limited	Parent company	-
TPL Rupiya (Private) Limited	Wholly owned subsidiary	100%
TPL Trakker Limited	Wholly owned subsidiary	100%
TPL Maps (Pvt.) Limited	Wholly owned subsidiary	100%
TPL Security Services (Private) Limited	Subsidiary	99.90%
TPL Insurance Limited	Subsidiary	93.51%
TPL Life Insurance Limited	Subsidiary	78.33%
TPL Properties Limited	Subsidiary	29.62%
Centrepont Management Services (Private) Limited	Sub-subsidiary of TPLP	29.62%
HKC (Private) Limited	Sub-subsidiary of TPLP	29.62%
G18 (Private) Limited	Sub-subsidiary of TPLP	29.62%
TPL REIT Management Company Limited	Sub-subsidiary of TPLP	29.62%
TPL E-Ventures (Pvt.) Limited	Associated company	-
TPL Mobile (Private) Limited	Common directorship	-
TPL Tech Pakistan (Private) Limited	Common directorship	-
Sapphire Fibers Limited	Common directorship	-
Agriauto Industries Limited	Common directorship	-
IBEX Global Solutions (Private) Limited	Common directorship	-
Virtual World (Private) Limited	Common directorship	-
Digital Globe Services (Private) Limited	Common directorship	-
Afiniti Software Solutions (Private) Limited	Common directorship	-
Vestruie DMCC, Dubai, UAE	Common directorship	-
Vestruie Holdings Limited, Dubai, UAE	Common directorship	-
Kulsum Holdings Limited, Dubai, UAE	Common directorship	-
Brans Holdings Limited, Dubai, UAE	Common directorship	-
Rashwell Company LLC, Dubai, UAE	Common directorship	-
Slaide (Pty) Ltd	Common directorship	-
Macanta (Pty) Ltd	Common directorship	-
Fleetcam (Pty) Ltd	Common directorship	-
Cherosco (Pty) Ltd	Common directorship	-
Casi International (Pty) Ltd	Common directorship	-
TPL Direct Finance (Private) Limited	Common directorship	-
TRG Pakistan Limited	Common directorship	-
TPL Logistics (Private) Limited	Common directorship	-
Trakker Energy (Private) Limited	Common directorship	-
TRG (Private) Limited	Common directorship	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>6. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>1,109,847</b>	-
Capital work-in-progress	6.2	-	-
		<b>1,109,847</b>	-

## 6.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2018	Additions	As at June 30, 2019	As at July 01, 2018	Depreciation for the year	As at June 30, 2019	As at June 30, 2019	Depreciation rate %
	(Rupees)							
<b>Owned</b>								
Laptops	-	1,106,500	1,106,500	-	16,667	16,667	1,089,833	33.33
Mobile phones	-	80,000	80,000	-	59,986	59,986	20,014	50
<b>2019</b>	-	<b>1,186,500</b>	<b>1,186,500</b>	-	<b>76,653</b>	<b>76,653</b>	<b>1,109,847</b>	

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2017	Transferred under Scheme (note 1.5)	As at June 30, 2018	As at July 01, 2017	Transferred under Scheme (note 1.5)	As at June 30, 2018	As at June 30, 2018	Depreciation rate %
	(Rupees)							
<b>Owned</b>								
Leasehold land	413,000,000	(413,000,000)	-	-	-	-	-	-
Building on leasehold land	60,055,960	(60,055,960)	-	20,753,489	(20,753,489)	-	-	5
Computers and accessories	214,438,887	(214,438,887)	-	201,537,010	(201,537,010)	-	-	33.33
Generators	6,502,202	(6,502,202)	-	6,502,202	(6,502,202)	-	-	20
Electrical equipments	642,816,821	(642,816,821)	-	246,731,681	(246,731,681)	-	-	20-25
Furniture and fittings	156,158,720	(156,158,720)	-	82,158,320	(82,158,320)	-	-	20
Vehicles	101,972,245	(101,972,245)	-	65,327,874	(65,327,874)	-	-	20
Construction of shed	6,048,277	(6,048,277)	-	6,048,277	(6,048,277)	-	-	20
Mobile phones	24,051,161	(24,051,161)	-	17,491,749	(17,491,749)	-	-	33.33
	<b>1,625,044,273</b>	<b>(1,625,044,273)</b>	<b>-</b>	<b>646,550,602</b>	<b>(646,550,602)</b>	<b>-</b>	<b>-</b>	



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2017	Transferred under Scheme (note 1.5)	As at June 30, 2018	As at July 01, 2017	Transferred under Scheme (note 1.5)	As at June 30, 2018	As at June 30, 2018	Depreciation rate %
	----- (Rupees) -----							
Leased								
Computers and accessories	46,000,408	(46,000,408)	-	43,948,435	(43,948,435)	-	-	33.33
Electrical equipments	3,570,700	(3,570,700)	-	3,128,806	(3,128,806)	-	-	20
Vehicles	40,793,930	(40,793,930)	-	32,144,422	(32,144,422)	-	-	20
Generators	16,000,400	(16,000,400)	-	6,400,152	(6,400,152)	-	-	20
Mobile phones	279,800	(279,800)	-	279,800	(279,800)	-	-	20
	106,645,238	(106,645,238)	-	85,901,615	(85,901,615)	-	-	
2018	1,731,689,511	(1,731,689,511)	-	732,452,217	(732,452,217)	-	-	

**6.1.1** Depreciation charge for the year has been allocated to administrative expenses (note 23).

		2019	2018
	Note	Rupees	Rupees
<b>6.2 Capital work-in-progress</b>			
Opening balance		-	24,947,491
Transferred under the Scheme	1.5	-	(24,947,491)
Closing balance		-	-

## 7. INTANGIBLE ASSETS

Intangible assets	7.1	727,223	641,667
Intangible assets under development	7.2	-	-
		727,223	641,667

### 7.1 Intangible assets

							WRITTEN DOWN VALUE	Amortisation rate
COST			ACCUMULATED AMORTISATION					
As at July 01, 2018	Additions	As at June 30, 2019	As at July 01, 2018	Charge for the year	As at June 30, 2019	As at June 30, 2019		
-----								
(Rupees)								
								%
Owned								
Softwares	660,000	440,000	1,100,000	18,333	354,444	372,777	727,223	33
2019	660,000	440,000	1,100,000	18,333	354,444	372,777	727,223	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	COST		ACCUMULATED AMORTISATION				WRITTEN DOWN VALUE	
	As at July 01, 2017	Additions / * (transfers)	As at June 30, 2018	As at July 01, 2017	Charge for the year / * transfers	As at June 30, 2018	As at June 30, 2018	Amortisation rate %
	(Rupees)							
<b>Owned</b>								
Goodwill	403,380,571	*(403,380,571)	-	-	-	-	-	-
Customers related intangible assets	453,635,249	*(453,635,249)	-	-	-	-	-	-
Marketing related intangible assets	289,021,582	*(289,021,582)	-	-	-	-	-	-
Internally generated computer softwares	25,840,000	*(25,840,000)	-	25,840,000	(25,840,000)	-	-	13.33
Maps database	147,858,790	*(147,858,790)	-	60,991,745	(60,991,745)	-	-	5
Softwares	288,289,819	660,000 *(288,289,819)	660,000	188,065,346	18,333 (188,065,346)	18,333	641,667	20-33.33
PTA license	1,000,500	*(1,000,500)	-	1,000,500	(1,000,500)	-	-	6.67
Decarta maps	22,884,695	*(22,884,695)	-	22,884,695	(22,884,695)	-	-	20
<b>2018</b>	<b>1,631,911,206</b>	<b>*(1,631,911,206)</b>	<b>660,000</b>	<b>298,782,286</b>	<b>(298,782,286)</b>	<b>18,333</b>	<b>641,667</b>	
		<b>660,000</b>			<b>18,333</b>			

\* Represents assets transferred under Scheme (note 15)

**7.1.1** Amortisation charge for the year has been allocated to administrative expenses (note 23).

	Note	2019 Rupees	2018 Rupees
<b>7.2 Intangible assets under development</b>			
Opening balance		-	314,526,752
Transferred under Scheme		-	(314,526,752)
Closing balance		-	-

## 8. LONG-TERM INVESTMENTS

### Investment in subsidiary companies – designated at FVOCI

TPL Insurance Limited [TIL]	8.1	<b>1,829,652,602</b>	1,659,369,999
TPL Properties Limited [TPLP]	8.2	<b>803,813,223</b>	754,174,200
TPL Life Insurance Limited [TPL Life]	8.3	<b>408,215,090</b>	375,630,807
TPL Maps (Pvt.) Limited [TMPL]	8.4	<b>350,291,292</b>	460,187,842
TPL Trakker Limited [TTL]	8.5	<b>1,615,016,734</b>	1,224,751,713
TPL Security Services (Private) Limited [TSS]	8.6	<b>84,499,404</b>	65,341,794
TPL Rupiya (Private) Limited [TPLR]	8.7	<b>37,770,447</b>	32,358,060
		<b>5,129,258,792</b>	<b>4,571,814,415</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

- 8.1** The Company holds 87,375,960 (2018: 77,323,859) ordinary shares of Rs. 10/- each, representing 93.51 percent (2018: 93.51) percent of the share capital of TPL Insurance Limited [TIL] as of the reporting date. The market value per share of TIL is Rs. 20.94 (2018: Rs. 21.46).

Out of 87,375,960 (2018: 77,323,859) ordinary shares of TIL held by the Company, 13,634,860 (2018: 12,066,900) ordinary shares are pledged with financial institutions against various financing facilities transferred to a subsidiary company, under the Scheme of Arrangement (note 1.5) and 49,739,354 (2018: 65,264,314) ordinary shares are pledged against issue of term finance certificates under long-term financing (note 17).

- 8.2** The Company holds 96,961,788 (2018: 81,004,000) ordinary shares of Rs. 10/- each, representing 29.62 percent (2018: 29.62 percent) of the share capital of TPLP as of the reporting date. The market value per share amounts to Rs. 8.29 (2018: Rs. 9.30). Out of these 96,961,788 (2018: 81,004,000) ordinary shares of TPLP held by the Company, 71,700,000 (2018: 72,600,000) ordinary shares are pledged against sukuk financing transferred to TTL under the Scheme of Arrangement (note 1.5).

Further, under the Scheme of Arrangement sanctioned / approved by Honorable High Court of Sindh vide its order dated November 17, 2017, 21,104,000 ordinary shares of TPLP has been allotted to the Company as disclosed in note 1.5 to these financial statements. In this regard, the legal formalities are in process to transfer said shares in the name of the Company alongwith the entitlement of 4,157,488 ordinary bonus shares announced by TPLP during the year.

As of reporting date, the Company has reassessed as to whether or not the Company alongwith the ultimate parent company and other related parties have a defacto control over TPLP as required under International Financial Reporting Standards 10 'Consolidated Financial Statements' (IFRS 10). Based on such assessment, the management has concluded that the Company alongwith other related parties has a defacto control over TPLP having the majority shareholding i.e. 45.69 percent (2018: 45.54 percent) and representation on the board of directors of TPLP (i.e. 05 out of 08 directors) to appoint majority of the directors on Board of TPLP. Accordingly, as of June 30, 2019, the Company continues to account for TPLP as it's subsidiary in these financial statements.

- 8.3** The Company holds 70,495,937 (2018: 60,495,937) ordinary shares of Rs. 10/- each, representing 78.33 percent (2018: 86.43 percent) of the share capital of TPL Life Insurance Limited as of the reporting date. The Company has calculated the fair value of its investment based on value-in-use calculations, and the discount rate applied to cash flow projections is 16.96 percent (2018: 17.2 percent) and the growth rate use to extrapolate the cash flows beyond the five-year period is 4 percent (2018: 5 percent).

During the year, 10 million ordinary shares of TPL Life at par i.e. Rs. 10 each has been further acquired by way of accepting the right offered to the Company. In addition, the Company has paid advance of Rs. 100 million to TPL Life for the purchase of additional 10 million ordinary shares, as approved by the Board of Directors in their meeting held on February 27, 2019.

- 8.4** The Company holds 38,329,090 (2018: 38,329,090) ordinary shares of Rs. 10/- each, representing 100 percent (2018: 100 percent) of the share capital of TPL Maps (Pvt.) Limited as of the reporting date. The Company has calculated the fair value of its investment based on value-in-use calculations, and the discount rate applied to cash flow projections is 21.77 percent (2018: 19.2 percent) and the growth rate use to extrapolate the cash flows beyond the five-year period is 4.1 percent (2018: 6 percent).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

- 8.5** The Company holds 92,926,253 (2018: 60,177,136) ordinary shares of Rs. 10/- each, representing 100 percent (2018: 100 percent) of the share capital of TPL Trakker Limited (TTL) as of the reporting date. The Company has calculated the fair value of its investment based on value-in-use calculations, and the discount rate applied to cash flow projections is 17.51 percent (2018: 18.91 percent) and the growth rate use to extrapolate the cash flows beyond the five-year period is 4.1 percent (2018: 4.1 percent).

During the year, the Board has approved the further acquisition of 8,503,045 ordinary share of TTL in consideration of disposal of the Company's 29 percent investment in Trakker Middle East LLC. (TME) having carrying value of Rs. 85.030 million (equivalent to 1,644 ordinary shares of AED 1,000 each) [see note 12]. In addition, 24,246,072 ordinary bonus shares have been issued by TTL having face value of Rs. 10 each.

- 8.6** The Company holds 2,099,900 (2018: 2,099,900) ordinary shares of Rs. 10/- each, representing 99.99 percent (2018: 99.99 percent) of the share capital of TPL Security Services (Private) Limited as of the reporting date. The Company has calculated the fair value of its investment based on value-in-use calculations and, the discount rate applied to cash flow projections is 19.72 percent (2018: 15 percent) and the growth rate use to extrapolate the cash flows beyond the five-year period is 4 percent (2018: 4.1 percent).
- 8.7** The Company holds 3,235,806 (2018: 3,235,806) ordinary shares of Rs. 10/- each, representing 100 percent (2018: 100 percent) of the share capital of TPL Rupiya (Private) Limited. The Company has calculated the fair value of its investment based on value-in-use calculations and, the discount rate applied to cash flow projections is 19.72 percent and the growth rate use to extrapolate the cash flows beyond the five-year period is 4 percent.
- 8.8** During the year, the Company has recorded net gain of Rs. 272.414 million on its equity investments designated at FVOCI in other comprehensive income, which will not be reclassified to profit or loss in subsequent periods.

	Note	2019 Rupees	2018 Rupees
<b>9. ADVANCES - unsecured, considered good</b>			
Advances against issue of shares:			
- TPL E-Ventures (Private) Limited	9.1	10,000,000	10,000,000
- TPL Logistics (Private) Limited	9.2	2,902,868	-
		<b>12,902,868</b>	<b>10,000,000</b>

- 9.1** Represents advance paid to TPL E-Ventures (Private) Limited (a related party) for the purchase of shares.
- 9.2** The Memorandum of Understanding dated June 30, 2019 has been signed between the Company, TPL Logistics (Private) Limited (TPLL) and TPL Trakker Limited (TTL) [related parties], whereby Rs. 2.750 million due from TTL as of June 30, 2019 is now due from TPLL. The said amount will be adjustable by the Company against future issue of shares by TPLL as per the agreed terms. In this regard, the Company has additionally paid Rs. 0.152 million to TPLL as of reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>10. TRADE DEPOSITS AND PREPAYMENTS</b>			
<b>Trade deposits, unsecured and considered good</b>			
- security deposits	10.1	100,000	100,000
<b>Prepayments</b>			
- others		-	870,000
		<b>100,000</b>	<b>970,000</b>

**10.1** These are non-interest bearing and generally on an average term of 12 months.

## **11. INTEREST ACCRUED - unsecured, considered good**

Represents markup on current account balance with TPL E-Ventures (Private) Limited on agreed terms (note 13.2).

		2019	2018
	Note	Rupees	Rupees
<b>12. SHORT-TERM INVESTMENTS</b>			
<b>Investment in an associated company – at cost</b>			
Trakker Middle East LLC (TME)	12.1	-	85,030,449

**12.1** On April 23, 2015, the Board of Directors had approved to consider and negotiate an offer to disinvest entire shareholding in TME. In this regard, the Company had conditionally accepted an offer for disposal of its entire shareholding in TME, subject to obtaining the necessary approvals, compliance of legal formalities and signing of a binding sale agreement to execute the transaction. Accordingly, the same had been classified as short-term investments under current assets. However, during the year, the Board of Directors has reconsidered their approval for disposal and decided to disposed off its 29 percent investment in TME having carrying value of Rs. 85.030 million (equivalent to 1,644 ordinary shares of AED 1,000) to TPL Trakker Limited (TTL) [the subsidiary company] as disclosed in note 8.5 to these financial statements.

		2019	2018
	Note	Rupees	Rupees
<b>13. DUE FROM RELATED PARTIES – unsecured, considered good</b>			
<b>Subsidiary companies</b>			
- TPL Security Services (Private) Limited (TSS)	13.1	50,000,000	-
- TPL Trakker Limited (TTL)	13.1	411,504,033	67,869,512
		<b>461,504,033</b>	<b>67,869,512</b>
<b>Others</b>			
- TPL E-Ventures (Private) Limited (TPLE)	13.2	27,663,081	166,740
		<b>489,167,114</b>	<b>68,036,252</b>

**13.1** Represents interest free current account balances which are repayable on demand and these are neither past due nor impaired. During the year, the Memorandum of Understanding dated December 01, 2018 has been signed between the Company, TSS and TTL effective from December 01, 2018, whereby Rs. 50 million due from TTL is now due from TSS.

In addition, another Memorandum of Understanding dated June 30, 2019 has been signed between the Company, TPL Logistics (Private) Limited (TPLL) and TPL Trakker Limited (TTL) [related parties], whereby Rs. 2.750 due from TTL as of June 30, 2019 is now due from TPLL as disclosed in note 9.2 to these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

- 13.2** Represents current account balance with a related party carrying markup at the variable rate of 6 months KIBOR plus 3 percent (2018: variable rate of 6 months KIBOR plus 3 percent) per annum and is repayable on demand. These are neither past due nor impaired.

During the year, the Memorandum of Understanding dated June 30, 2019 has been signed between the Company, TPLE and TTL effective from June 30, 2019, whereby Rs. 5.684 million due from TTL is now due from TPLE.

- 13.3** The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

		2019	2018
	Note	Rupees	Rupees
<b>Subsidiary companies</b>			
- TPL Security Services (Private) Limited		50,000,000	-
- TPL Trakker Limited		411,504,033	67,869,512
<b>Others</b>			
- TPL E-Ventures (Private) Limited		27,680,750	166,740
<b>14. TAXATION - net</b>			
Opening balance – refundable		33,105,923	46,721,208
Provision for current tax provision		(26,212,790)	-
Income tax paid and deducted at source		26,212,790	-
Workers' Welfare Fund adjusted during the year		-	(13,615,285)
Closing balance – refundable		33,105,923	33,105,923
<b>15. CASH AND BANK BALANCES</b>			
At banks in:			
- current accounts		3,929,393	1,747,962
- saving accounts	15.1	3,464,519	-
		7,393,912	1,747,962

- 15.1** These carry markup at the rate 5% percent per annum.

## 16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		2019	2018
Number of shares		Note	Rupees	Rupees
		Ordinary shares of Rs. 10/- each		
		- issued for cash		
30,009,900	30,009,900	- opening balance	300,099,000	300,099,000
30,000,000	-	- issued during the year	300,000,000	-
60,009,900	30,009,900		600,099,000	300,099,000
		- issued for consideration other than cash		
207,287,863	187,239,063	- opening balance	2,072,878,630	1,872,390,630
-	20,048,800	- issued during the year	-	200,488,000
207,287,863	207,287,863		2,072,878,630	2,072,878,630
267,297,763	237,297,763		2,672,977,630	2,372,977,630

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**16.1** During the year ended June 30, 2009, the shareholders of the Company, namely Ali Bhai Group (AB), Ali Jameel Group (AJ) and Digicore International (Pty) Limited (DL) entered into a Scheme of Arrangement, in respect of transfer of entire operations and exchange of assets of Trakker (Private) Limited into a new company in consideration for ordinary shares of the Company.

**16.2** Represents ordinary shares allotted under the Scheme of Arrangement as disclosed in note 1.5 to these financial statements.

**16.3** These are ordinary shares carry one vote per share and right to dividend.

		2019	2018
	Note	Rupees	Rupees
<b>17 LONG-TERM FINANCING – secured</b>			
Term finance certificates	17.1	400,000,000	1,187,703,908
Less: Current portion shown under current liabilities		400,000,000	789,477,679
		-	398,226,229

**17.1** Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs.1,200 million having face value of Rs. 100,000/- each issued by the Company to various parties for a period of 2 years for the acquisition of additional shares of TPL Insurance Limited during the year ended June 30, 2018. These carry markup at the rate of 3 months KIBOR plus 1.5 percent per annum and are redeemable in 3 equal installments at the end of 12, 18 and 24 month and are secured by way of pledge of 26.868 million (2018: 65.256 million) shares of TPL Insurance Limited held by the Company (note 8.1). The Company is liable to pay participation fee at the average rate of 0.5 percent of investment amount to the investors and annual trustee fee of Rs. 1.0 million to trustee under the terms of the contract. The Company had incurred transaction cost of Rs. 19.876 million to issue TFCs.

	Note	2019	2018
		Rupees	Rupees
<b>18 TRADE AND OTHER PAYABLES</b>			
Creditors - non trade		14,678,843	-
Accrued liabilities		5,605,600	4,200,000
Withholding tax payable		2,728,481	-
		23,012,924	4,200,000

## 19. ACCRUED MARK-UP

Long-term financing	17	1,935,277	3,775,714
Short-term financing	20	856,491	-
Due to related parties	21	69,819,310	2,716,712
		72,611,078	6,492,426

## 20. SHORT-TERM FINANCING

Islamic Commerical Paper	20.1	533,279,917	-
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**20.1** Represents partial amount of subscription money received from various investors against privately placed Islamic Commercial Paper (ICP) units having face value of Rs. 1,000,000 to be issued at a discounted value that will be calculated on the date of issuance using a rate equivalent to 6 months KIBOR plus 2.75 percent and will be redeemed after 180 days from the date of its issuance. Subsequent to the reporting date, the Company has received further amount of Rs. 486 million and issued 1,100 units of ICP amounting to Rs. 1,100 million at a discounted value of Rs. 1,019 million.

Under the terms of ICP agreement with investors, the Company is liable to pay markup at the rate of 6 months KIBOR plus 2.75 per annum on amount received upto the date of issuance of ICP.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>21. DUE TO RELATED PARTIES - unsecured</b>			
<b>Holding company</b>			
- TPL Holdings (Private) Limited	21.1	1,072,000,000	445,000,000
<b>Subsidiary company</b>			
- TPL Insurance Limited	21.1	28,459,312	-
		<b>1,100,459,312</b>	<b>445,000,000</b>

**21.1** Represents current account balances with related parties carrying markup at a variable rate of 6 months KIBOR plus 3 percent (2018: variable rate of 6 months KIBOR plus 3 percent) per annum and are repayable on demand.

## 22. CONTINGENCIES AND COMMITMENTS

**22.1** As of reporting date, the Company does not have any contingencies and commitments to report except for the corporate guarantee of Rs. 60 million given to the financial institution against financing facility obtained by TPL Maps (Pvt.) Limited (the wholly owned subsidiary) and tax contingencies as disclosed in note 26.1 to these financial statements.

		2019	2018
	Note	Rupees	Rupees
<b>23. ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits		53,883,814	27,952,742
Legal and professional		21,411,908	6,552,336
Depreciation	6.1	76,652	-
Amortisation	7.1	354,445	18,333
Travelling and conveyance		9,294,140	69,453
Vehicle running and maintenance		1,596,803	-
Subscription		685,000	-
Donations	23.3	21,256,459	-
Computer expenses		641,276	9,000
Telephone		246,863	-
Auditors' remuneration	23.1	8,392,891	5,505,600
Entertainment		9,909	-
Printing and stationery		1,778,300	352,359
Postage and courier		498,140	-
Publicity		6,066,077	-
Others		343,937	620,000
		<b>126,536,614</b>	<b>41,079,823</b>

### 23.1 Auditors' remuneration

Audit fee – standalone	850,000	800,000
Audit fee – consolidated	1,250,000	1,200,000
Code of corporate governance	250,000	250,000
Half yearly review fee and other assurance services	5,677,391	2,890,100
Out of pocket expenses	365,500	365,500
	<b>8,392,891</b>	<b>5,505,600</b>

**23.2** Recipients of donations do not include any donee in which a director or spouse had any interest.

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		Rupees	Rupees
<b>23.3</b>	Donation to donees equal to or exceeds Rs. 1 million or 10 percent of the Company's total amount of donation, whichever is higher are as follows:		
Patients Aid Foundation		10,000,000	-
Habib University Foundation		6,365,000	-
The Kidney Centre Post Graduate Training Institute		1,213,200	-
		<b>17,578,200</b>	<b>-</b>

**23.4** Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

		2019	2018
	Note	Rupees	Rupees
<b>24. FINANCE COSTS</b>			
Mark-up on:			
- long-term financing		109,964,781	59,235,292
- short-term financing		856,491	-
- due to related parties	211	67,102,598	2,733,185
Bank and other charges		22,082	-
		<b>177,945,952</b>	<b>61,968,477</b>
<b>25. OTHER INCOME</b>			
<b>Income from related parties:</b>			
Mark-up on current account with related parties		<b>609,338</b>	7,900
<b>26. TAXATION</b>			
Current		<b>26,212,790</b>	-

**26.1** The returns of the total income of the Company have been filed for and upto tax year 2018 which are considered as deemed assessments, except for tax years 2016 and 2017. In respect of tax year 2016, the Company had received an order from Deputy Commissioner Inland Revenue (DCIR) whereby, a demand of Rs. 108 million was raised on account of disallowance of certain expenses. Being aggrieved the Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) against which, subsequent to the reporting date, appeal effect order was issued by CIR(A). The Company is currently in process of filing an appeal against the said order at higher forum. Further, in respect of tax year 2017, the case of the Company has been selected for audit u/s 177 of the Income Tax Ordinance, 2001.

**26.2** The current year charge represents tax deducted on dividend income earned under the final tax regime. Since, the major income of the Company falls under final tax regime, therefore, no deferred tax asset and liabilities are recorded in these financial statements and accordingly, no tax reconciliation has been presented.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>27. LOSS PER SHARE – basic and diluted</b>			
Loss attributable to the ordinary shareholders		<b>(155,334,098)</b>	(103,040,400)
		----- Number of shares -----	
			<b>Restated</b>
Weighted average number of ordinary shares in issue		<b>244,893,489</b>	241,667,500
			<b>Restated</b>
<b>LOSS PER SHARE – basic and diluted (in Rupees)</b>		<b>(0.63)</b>	(0.48)

**27.1** During the year, the Company has issued ordinary right shares as disclosed in note 1.4 to these financial statements. Accordingly, the comparative numbers are restated.

**27.2** There is no dilutive effect on basic earnings per share of the Company.

## **28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Company is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2019. The policies for managing each of these risks are summarised below:

### **28.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2019.

#### **28.1.1 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

#### **28.1.2 Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). There is no direct impact on Company's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	(Increase) / decrease in basis points	Effect on loss before tax (Rupees)
<b>2019</b>	<b>+100</b>	20,337,392
	<b>-100</b>	(20,337,392)
<b>2018</b>	<b>+100</b>	16,325,372
	<b>-100</b>	(16,325,372)

## 28.1.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of balance sheet, the Company is not exposed to currency risk, since the Company do not have any assets and liabilities in foreign company.

## 28.1.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is exposed to equity price risk to the extent of its investment in its subsidiaries (note 8).

## 28.2 Credit risk

**28.2.1** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory assets and comprise of investments, deposits, interest accrued, due from related parties and other receivables, cash and bank balances. Out of the total financial assets of Rs. 5,574 million (2018: Rs. 4,727 million), the financial assets which are subject to credit risk amounted to Rs. 7,494 million (2018: Rs. 1,848 million). The Company's credit risk is primarily attributable to its deposits and bank balances, which are assessed as low.

**28.2.2** The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category	Rating Agency	Note	2019 Rupees	2018 Rupees
A-1+	VIS		803,790	-
A-1+	PACRA		1,396,015	-
A-1	PACRA		3,464,519	-
A-1	JCR-VIS		-	1,747,962
A-3	VIS		1,729,583	-
			<b>7,393,907</b>	<b>1,747,962</b>

**28.2.3** As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 28.3 Liquidity risk

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the management of working capital and financing facilities. The financial liabilities excludes statutory liabilities and provisions, and comprise of long-term and short-term financing facilities obtained, trade and other payables, accrued mark, due from related parties, unclaimed / unpaid dividend.

The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2019

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
(Rupees)					
<b>2019</b>					
Long-term financing	-	-	400,000,000	-	400,000,000
Trade and other payables	-	20,284,443	-	-	20,284,443
Accrued markup	69,819,310	1,935,277	-	-	71,754,587
Short-term financing	-	-	533,279,917	-	533,279,917
Due to related parties	1,100,459,312	-	-	-	1,100,459,312
Unclaimed dividend	1,729,583	-	-	-	1,729,583
Unpaid dividend	3,000,000	-	-	-	3,000,000
	<b>1,175,008,205</b>	<b>22,219,720</b>	<b>933,279,917</b>	<b>-</b>	<b>2,130,507,842</b>
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
(Rupees)					
<b>2018</b>					
Long-term financing	-	-	398,226,229	789,477,679	1,187,703,908
Trade and other payables	-	4,200,000	-	-	4,200,000
Accrued markup	2,716,712	3,775,714	-	-	6,492,426
Due to related parties	445,000,000	-	-	-	445,000,000
Unclaimed dividend	1,747,962	-	-	-	1,747,962
Unpaid dividend	3,000,000	-	-	-	3,000,000
	<b>452,464,674</b>	<b>7,975,714</b>	<b>398,226,229</b>	<b>789,477,679</b>	<b>1,648,144,296</b>

and 2018 based on contractual undiscounted payment dates and present market interest rates:

## 28.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## 28.4.1. Fair value hierarchy

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the fiancial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

**28.4.2.** The Company held the following financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>2019</b>				
Designated at FVOCI	<b>5,129,258,792</b>	<b>2,633,465,825</b>	<b>2,495,792,967</b>	-
<b>2018</b>				
Designated at FVOCI	4,571,814,415	2,413,544,199	2,158,270,216	-

## 28.5 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2019.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2019 and 2018 are as follows:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
Long-term financing	17	400,000,000	1,187,703,908
Accrued mark-up	19	72,611,078	6,492,426
Short-term financing	20	533,279,917	-
Due to related parties	21	1,100,459,312	445,000,000
<b>Total debts</b>		<b>2,106,350,307</b>	<b>1,639,196,334</b>
Less: Cash and bank balances	15	7,393,912	1,747,962
<b>Net debt</b>		<b>2,098,956,395</b>	<b>1,637,448,372</b>
Share capital	16	2,672,977,630	2,372,977,630
Capital reserve		60,855,762	60,855,762
Revenue reserve		7,906,620	163,240,718
Other component of equity		798,550,090	526,136,162
<b>Total equity</b>		<b>2,741,740,012</b>	<b>3,123,210,272</b>
<b>Total capital</b>		<b>4,840,696,407</b>	<b>4,760,658,644</b>
<b>Gearing ratio</b>		<b>43.36%</b>	<b>34.40%</b>

## 29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for the year are as follows:

	Chief Executive		Directors		Executives	
	2019	2018	2019	2018	2019	2018
	(note 29.1)		(note 29.2)			
	----- Rupees -----					
Basic salary	11,613,600	6,193,536	-	-	6,715,562	9,582,180
Allowances and benefits:						
- house rent	5,226,120	2,787,072	-	-	3,021,894	4,311,944
- medical	1,160,280	619,392	-	-	671,044	958,276
- vehicle allowance	-	-	-	-	1,207,500	1,851,000
Staff retirement benefits	967,413	515,922	-	-	554,763	798,196
	<b>18,967,413</b>	<b>10,115,922</b>	<b>-</b>	<b>-</b>	<b>12,170,763</b>	<b>17,501,596</b>
Number of person(s)	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>4</b>

**29.1** In addition, the Chief Executive, Directors and certain executives of the Company have also been provided with Company's owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

**29.2** No remuneration is paid / payable to Directors of the Company.

**29.3** During the year, the Company has paid Rs. 0.37 million (2018: Rs. 0.34 million) to a non - executive Director on account of board meeting fees.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## 30. TRANSACTIONS WITH RELATED PARTIES

**30.1** Related parties comprise of holding company, subsidiary, associate and companies where directors hold common directorship, key management personnel and their close family members and staff retirement benefit funds. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2019	2018
	Rupees	Rupees
<b>TPL Holdings (Private) Limited – (Holding Company)</b>		
Acquisition of TPLP shares under Scheme of Arrangement (note 1.5)	-	261,343,762
Amount received by the Company from THPL	696,500,000	445,000,000
Mark-up on current account (net) - (note 24)	67,102,598	2,716,712
Amount paid / repaid by the Company to THPL	69,500,000	-
<b>TPL Security Services (Private) Limited – (Subsidiary Company)</b>		
Settlement of amount receivable by the Company from TTL against the amount payable by TSS to TTL under signed Memorandum of Arrangement	50,000,000	-
<b>TPL Life Insurance Limited – (Subsidiary Company)</b>		
Advance against issue of shares paid to TPL Life (note 9.3)	100,000,000	-
<b>TPL Trakker Limited – (Subsidiary Company)</b>		
Expenditure incurred on behalf of the Company	71,856,900	105,911,938
Purchase of operating fixed assets on behalf of the Company (note 6.1)	1,186,500	-
Purchase of intangible asset on behalf of the Company (note 7.1)	440,000	-
Expenditure incurred for TPLL on behalf of the Company	323,229	-
Expenditure incurred for TPLE on behalf of the Company	21,813,967	-
Expenditure incurred by the Company on behalf of TTL	401,737	-
Amount received by the Company	286,436,804	181,032,586
Amount paid / repaid to the Company	809,661,902	395,000,000
Settlement of amount receivable by the Company from TTL against:		
- amount payable by TSS to TTL under signed Memorandum of Arrangement	50,000,000	-
- amount payable by TPLL to TTL under signed Memorandum of Arrangement	2,427,139	-
- amount payable by TPLE to TTL under signed Memorandum of Arrangement	5,682,374	-
Amount paid by TTL on behalf of the Company	26,262,205	42,061,494
<b>TPL Logistics (Private) Limited – (Common directorship)</b>		
Amount paid to the Company	152,500	-
Expenditure incurred by TTL for TPLL on behalf of the Company	323,229	-
Settlement of amount receivable by the Company from TTL against the amount payable by TPLL to TTL under signed Memorandum of Arrangement	2,427,139	-
<b>TPL E-venture (Private) Limited – (Common directorship)</b>		
Expenditure incurred by TTL for TPLE on behalf of the Company	21,813,967	-
Settlement of amount receivable by the Company from TTL against the amount payable by TPLE to TTL under signed Memorandum of Arrangement	5,682,374	-
Mark-up on current account	609,737	7,900
<b>TPL Insurance Limited – (Subsidiary Company)</b>		
Dividend income received from the Company	174,751,920	-
Expenses incurred on behalf of the Company	28,459,312	-
<b>Staff retirement benefit</b>		
TPL Trakker Limited – Provident fund employer contribution	1,522,176	1,314,118
<b>Key management personnel</b>		
Salaries and other benefits (note 30.4)	29,616,000	26,303,400
Post employment benefits (note 30.4)	1,522,176	1,314,118

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**30.2** All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The related parties status of outstanding receivables / payables as at June 30, 2019 and 2018 is disclosed in respective notes to these financial statements.

**30.3** Certain employees of the group companies also provide services to the Company and their cost are proportionately charged to the Company on agreed terms. In addition, certain common expenses (other than salaries and other benefits) are also allocated within the group companies on agreed basis and terms.

**30.4** Comparative figures have been restated to reflect changes in the definition of key management personnel as per Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.

## **31. SUBSEQUENT EVENTS**

The Board of Directors of the Company in their meeting held on September 20, 2019 have recommended cash dividend @ Nil percent amounting to Rs. Nil million on the existing paid-up value of the ordinary share capital for approval of the shareholders in the annual general meeting to be held on October 25, 2019.

## **32. DATE OF AUTHORISATION OF ISSUE**

These financial statements were authorised for issue on September 20, 2019 by the Board of Directors of the Company.

## **33. GENERAL**

**33.1** Number of employees as at June 30, 2019 was 5 (2018: 5) and average number of employees during the year was 5 (2018: 5).

**33.2** Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However, there are no material reclassifications to report.

**33.3** All figures have been rounded off to the nearest rupee, unless otherwise stated.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# INDEPENDENT AUDITORS' REPORT

## To the members of TPL Corp Limited

### Opinion

We have audited the annexed consolidated financial statements of **TPL Corp Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **30 June 2019**, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<b>1. Impairment of goodwill and intangible assets</b>	
<p>(Refer note 8.4 to the accompanying consolidated financial statements)</p> <p>The intangible assets includes goodwill, indefinite life and under development intangible assets having carrying value of Rs.2,549 million as of 30 June 2019, and tested for impairment at least on an annual basis.</p>	<p>Our audit procedures amongst others, included review of Group's intangible assets impairment process and evaluating the Group's assumptions used in assessing the recoverability of intangible assets, in particular, revenue and cash flow projections, useful economic lives and discount rates.</p>
Key audit matter	How the matter was addressed in our audit
<p>The determination of recoverable amount requires judgement in both identifying and then valuing the relevant CGUs, and the impairment assessment for such assets involves significant judgments and estimates about future business performance, with key assumptions including cash flows, inflation rates, the overall long-term growth rates, discount rates used and to the extent relevant, the fair value less costs to dispose. Changes in these assumptions might lead to a significant change in the carrying values of the related assets, for such reasons we considered this as a key audit matter.</p>	<p>We involved our specialist to:</p> <ul style="list-style-type: none"> <li>- assessed the key assumptions and methodologies used in the impairment analysis, in particular growth rates, inflation rate and discount rate applied;</li> <li>- examined the business plans approved and assumptions used by management, including forecasted revenue base, profit from operations margin, working capital for terminal value calculations and cash flows necessary for the continuing use of the CGU's assets and allocated goodwill; and</li> <li>- evaluated the sensitivity analysis performed by management around the key assumptions for various CGU's as well as performing break-even analysis on key assumptions, and challenged the outcomes of the assessment.</li> </ul> <p>We also assessed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.</p>

## 2. Valuation of investment properties

(Refer note 9.1 to the accompanying consolidated financial statements)

The investment properties comprises 'Centrepont Project', principally given as rented office premises to related parties and other companies and is accounted by the Group under fair value model. As of 30 June 2019, the fair value of investment properties amounted to Rs. 5,905 million constituting 33% of total assets of the Group.

In determining the fair value in respect of investment properties, the Group engaged an independent external valuer to perform the valuation, which involves use of assumptions and estimates in terms of estimated selling price, occupancy, condition, market projections, market rents and currency valuation. Changes in any of these key assumptions can have a material impact on the valuation of investment properties.

Due to significant management judgment and estimation relating to valuation assumptions that are inherently complex and require specialist input, and the investment properties value being material to the total assets, we considered this as a key audit matter.

Our audit procedures amongst others, comprised understanding the management valuation process, including the involvement of independent external valuer in performing the valuation of investment properties.

We assessed the competence of the management independent external valuer and reviewed the valuation report prepared by them to understand the basis and methodology used for valuation.

We involved our specialists to review the valuation report of management independent external valuer and to assess the appropriateness of the methodology, assumptions and estimates used to determine the fair value of investment properties under IAS 40 'Investment Property' (IAS 40)

We also assessed the adequacy of the related disclosures in the consolidated financial statements in accordance with the financial reporting standards.

## 3. Liabilities against insurance contracts

(Refer note 34 to the accompanying consolidated financial statements)

The Group operates life and general insurance businesses. The liabilities in respect of insurance contracts issued as of 30 June 2019 amounts to Rs. 464 million, which represent 5% of Group's total liabilities.

The methods used and significant assumptions applied in determining the insurance contract liabilities relating to life and general insurance business are disclosed in note 5.16 to the financial statements. We considered valuation of insurance liabilities as a key audit matter due to significant judgment involved in estimating the liabilities and use of experts in this regard.

In obtaining sufficient audit evidence:

- we tested controls over recording and settlement of claims both in respect of life and general insurance business.
- for policy holders' liabilities in respect of life insurance business we assessed the professional competence of the actuary appointed by the management, the methods used and key assumptions applied in estimating the life insurance contract liabilities. In this regard, we also reviewed the accuracy and completeness of the data used for the actuarial valuation of insurance liabilities;

	<ul style="list-style-type: none"> <li>- in respect of general insurance contract liabilities (including IBNR and premium deficiency reserve) which are measured on the basis of undiscounted value of expected future payments, we reviewed historical loss experience and other factors considered by the actuary in developing the expectations of future claim liabilities based on the contract issued at the reporting date;</li> <li>- for general insurance claims we also evaluated the management estimates regarding cost of claims settlements by considering reports of independent surveyors and the estimates regarding salvage values of insured assets; and</li> <li>- we assessed the adequacy of disclosures made in respect of insurance contract liabilities in accordance with the approved accounting standards as applicable in Pakistan.</li> </ul>
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#### **Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that





may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.

Chartered Accountants  
Place: Karachi  
Date: October 03, 2019

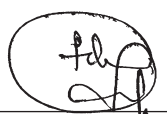
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>ASSETS</b>			(Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,760,068,510	2,214,071,587
Intangible assets	8	2,846,548,546	2,656,249,953
Investment properties	9	5,909,238,595	5,322,678,273
Development properties	10	1,265,142,970	1,090,147,420
Long-term investments	11	99,847,459	-
Long-term loans	12	637,436	436,577
Long-term deposits	13	54,887,344	69,917,932
Deferred tax asset - net	14	148,297,825	125,769,341
		<b>13,084,668,685</b>	<b>11,479,271,083</b>
<b>CURRENT ASSETS</b>			
Stock-in-trade	15	267,410,363	326,691,767
Trade debts	16	1,397,979,627	1,412,187,469
Loans and advances	17	385,175,061	172,837,318
Trade deposits and prepayments	18	427,724,912	352,558,825
Interest accrued	19	20,434,331	23,913,319
Other receivables	20	787,765,320	637,240,938
Short-term investments	21	557,115,177	1,362,681,407
Due from related parties	22	80,217,260	11,706,548
Deferred commission expense		169,248,562	124,090,599
Taxation - net	23	179,807,632	162,290,955
Cash and bank balances	24	772,349,444	952,449,788
		<b>5,045,227,689</b>	<b>5,538,648,933</b>
<b>TOTAL ASSETS</b>		<b>18,129,896,374</b>	<b>17,017,920,016</b>

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR


# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>EQUITY AND LIABILITIES</b>			(Restated)
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
330,000,000 (2018: 330,000,000) ordinary shares of Rs.10/- each		<b>3,300,000,000</b>	3,300,000,000
Issued, subscribed and paid-up capital	25	<b>2,672,977,630</b>	2,372,977,630
Capital reserves		<b>60,855,762</b>	60,855,762
Revenue reserves		<b>230,753,382</b>	559,609,454
Surplus on revaluation of property, plant and equipment	26	<b>555,060,494</b>	228,061,064
		<b>3,519,647,268</b>	3,221,503,910
Non-controlling interest		<b>4,618,489,560</b>	4,220,516,153
		<b>8,138,136,828</b>	7,442,020,063
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	27	<b>2,472,910,025</b>	3,287,127,280
Liabilities against assets subject to finance lease	28	<b>52,145,571</b>	504,016
Long-term loans	29	<b>148,888,890</b>	308,133,420
Deferred liabilities	30	<b>6,570,620</b>	6,206,490
		<b>2,680,515,106</b>	3,601,971,206
<b>CURRENT LIABILITIES</b>			
Trade and other payables	31	<b>1,456,704,177</b>	1,431,299,859
Accrued mark-up	32	<b>238,534,790</b>	131,603,069
Short-term financing	33	<b>946,017,222</b>	419,181,204
Liabilities against insurance contracts	34	<b>463,842,693</b>	453,328,693
Underwriting provisions	35	<b>782,370,871</b>	824,732,832
Running finance under mark-up arrangements	36	<b>988,025,014</b>	939,871,844
Current portion of non-current liabilities	37	<b>1,209,038,572</b>	1,226,350,997
Due to related parties	38	<b>1,173,751,929</b>	504,988,182
Unclaimed dividend		<b>3,307,473</b>	1,747,962
Unpaid dividend		<b>3,000,000</b>	3,000,000
Advance monitoring fees	39	<b>46,651,699</b>	37,824,105
		<b>7,311,244,440</b>	5,973,928,747
<b>CONTINGENCIES AND COMMITMENTS</b>	40		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,129,896,374</b>	17,017,920,016

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees (Restated)
Turnover – net	41	4,323,877,490	3,471,416,104
Cost of sales and services	42	(2,632,727,037)	(1,960,688,714)
<b>Gross profit</b>		<b>1,691,150,453</b>	<b>1,510,727,390</b>
Distribution expenses	43	(351,365,123)	(282,607,965)
Administrative expenses	44	(1,225,753,879)	(1,031,398,509)
<b>Operating profit</b>		<b>114,031,451</b>	<b>196,720,916</b>
Other expenses	45	(30,822,802)	(97,311,519)
Finance costs	46	(740,582,208)	(507,568,032)
Other income	47	849,980,288	1,145,123,813
Share of loss from investment in associates – net	11	(11,491,773)	(13,147,234)
<b>Profit before taxation</b>		<b>181,114,956</b>	<b>723,817,944</b>
Taxation	48	(98,730,149)	(59,569,819)
<b>Profit for the year</b>		<b>82,384,807</b>	<b>664,248,125</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</b>			
Unrealised gain / (loss) on available-for-sale investments at fair value		24,087,866	(12,325,742)
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</b>			
Gain on equity instruments designated at FVOCI		31,157	-
Surplus on revaluation of property, plant and equipment		327,456,882	-
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>351,575,905</b>	<b>(12,325,742)</b>
<b>Total comprehensive income for the year</b>		<b>433,960,712</b>	<b>651,922,383</b>
<b>Earnings per share – basic and diluted</b>	49	<b>(1.20)</b>	<b>(Restated) 0.05</b>
<b>Profit for the year attributable to:</b>			
Owners of the Holding Company		(293,895,222)	10,378,535
Non-controlling interest		376,280,029	653,869,590
		<b>82,384,807</b>	<b>664,248,125</b>

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid-up capital	Capital reserve created under Scheme of Arrangement (note 1.6)	Revenue reserves	Unappropriated profit	Available for sale reserve	Surplus on revaluation of property, plant and equipment	Total reserves	Non-controlling interest	Total Equity
-----Rupees-----									
<b>Balance as at June 30, 2017</b>	2,172,489,630	-	548,301,049	-	228,790,596	777,091,645	3,978,088,025	6,927,669,300	
Reserve arising as a consequence of Scheme of Arrangement	-	60,855,762	-	-	-	60,855,762	-	60,855,762	
Issuance of ordinary shares	200,488,000	-	-	-	-	-	-	200,488,000	
Profit for the year - restated (note 8.5)	-	-	10,378,535	-	-	10,378,535	653,869,590	664,248,125	
Other comprehensive loss for the year, net of tax	-	-	-	(11,534,008)	-	(11,534,008)	(791,586)	(12,325,594)	
Total comprehensive income / (loss) for the year	-	-	10,378,535	(11,534,008)	-	(115,473)	653,078,004	651,922,531	
Final dividend for the year ended June 30, 2017 @ Re.0.25 per share	-	-	(54,312,241)	-	-	(54,312,241)	-	(54,312,241)	
Acquisition of a subsidiary resulting in increase in non-controlling interest	-	-	-	-	-	-	72,772,758	72,772,758	
Increase in shareholding in subsidiaries due to decrease in shareholding of non-controlling interest	-	-	66,046,587	-	-	66,046,587	(483,422,634)	(417,376,047)	
Surplus on revaluation of property, plant and equipment realised on account of incremental depreciation charged on related assets - net of tax (note 26)	-	-	729,532	-	(729,532)	-	-	-	
<b>Balance as at June 30, 2018 - restated (note 8.5)</b>	<b>2,372,977,630</b>	<b>60,855,762</b>	<b>571,143,462</b>	<b>(11,534,008)</b>	<b>228,061,064</b>	<b>848,526,280</b>	<b>4,220,516,153</b>	<b>7,442,020,063</b>	
Adjustment due to adoption of IFRS 9 - net of tax (note 5.11)	-	-	(37,843,947)	-	-	(37,843,947)	-	(37,843,947)	
<b>Balance as at June 30, 2018 - restated</b>	<b>2,372,977,630</b>	<b>60,855,762</b>	<b>533,299,515</b>	<b>(11,534,008)</b>	<b>228,061,064</b>	<b>810,682,333</b>	<b>4,220,516,153</b>	<b>7,404,176,116</b>	
Issuance of ordinary right shares (note 1.5)	300,000,000	-	-	-	-	-	-	300,000,000	
Profit / (loss) for the year	-	-	(293,895,222)	-	-	(293,895,222)	376,280,029	82,384,807	
Other comprehensive income for the year, net of tax	-	-	-	22,555,689	327,456,882	350,012,571	1,563,334	351,575,905	
Total comprehensive income / (loss) for the year	-	-	(293,895,222)	22,555,689	327,456,882	56,117,349	377,843,363	433,960,712	
Increase in shareholding in subsidiaries due to decrease in shareholding of non-controlling interest	-	-	(20,130,044)	-	-	(20,130,044)	20,130,044	-	
Surplus on revaluation of property, plant and equipment realised on account of incremental depreciation charged on related assets - net of tax (note 26)	-	-	457,452	-	(457,452)	-	-	-	
<b>Balance as at June 30, 2019</b>	<b>2,672,977,630</b>	<b>60,855,762</b>	<b>219,731,701</b>	<b>11,021,681</b>	<b>555,060,494</b>	<b>846,669,638</b>	<b>4,618,489,560</b>	<b>8,138,136,828</b>	

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER


  
DIRECTOR

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		181,114,956	723,817,944
Adjustment for non-cash charges and other items:			
Depreciation	7.1	317,836,993	197,437,309
Amortisation	8.1	102,735,340	74,649,674
Share of loss from investment in associates - net	11	11,491,773	13,147,234
Allowance for expected credit losses	16.4	25,678,986	14,979,058
Charge / reversal of provision for gratuity	30.1	364,130	(3,078,404)
Exchange loss - net	45	29,953,692	17,280,153
Finance costs	46	740,582,208	507,568,032
Loss on investment in mutual funds	47	51,097,948	-
Unwinding of PTF	47	(4,604,005)	(3,641,717)
Gain on disposal of property, plant and equipment	47	(4,572,085)	(16,454,245)
Valuation gain on investment property	47	(592,882,635)	(944,646,887)
Loss on acquisition of TPL Insurance Limited		-	79,494,134
Deferred income		-	(2,444,444)
		677,682,345	(65,710,103)
<b>Operating profit before working capital changes</b>		858,797,301	658,107,841
(Increase) / decrease in current assets			
Stock-in-trade		(141,246,066)	30,525,160
Trade debts		(55,089,623)	(146,579,551)
Loans and advances		(212,337,743)	146,500,801
Trade deposits and prepayments		(75,166,087)	(13,925,741)
Interest accrued		3,478,988	(15,591,611)
Other receivables		(150,524,382)	(125,598,960)
Due from related parties		(68,510,712)	(2,574,544)
Premiums due but unpaid		-	61,284,560
Deferred commission expense		(45,157,963)	(18,513,632)
		(744,553,588)	(84,473,518)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		25,404,318	407,273,023
Liabilities against insurance contracts		10,514,000	181,409,223
Underwriting provisions		(42,361,961)	(24,612,215)
Due to related parties		668,763,747	417,038,426
Advance monitoring fees		8,827,594	(129,737,343)
		671,147,698	851,371,114
<b>Cash flows from operations</b>		785,391,411	1,425,005,437
Finance costs paid		(634,415,406)	(485,918,773)
Income taxes paid		(147,044,208)	(91,407,145)
		(781,459,614)	(577,325,918)
<b>Net cash flows generated from operating activities</b>		3,931,797	847,679,519

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONSOLIDATED STATEMENT OF CASH FLOWS

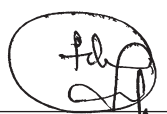
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of - property, plant and equipment		(185,960,989)	(318,283,111)
- capital work-in-progress		(50,888,577)	(261,014,678)
- investment property		(3,590,551)	(32,951,900)
- development property		(174,995,550)	(201,408,680)
- intangible assets		(14,923,910)	(29,765,776)
- intangible assets under development		(278,110,023)	(231,496,244)
Sale proceeds from disposal of property, plant and equipment and intangible assets		5,579,814	58,880,164
Sale proceeds from / (cost of investment) - net		656,198,714	(1,225,935,477)
Long-term loans		(200,859)	389,961
Long-term deposits		15,030,588	(15,377,273)
Net cash flows generated from / (used in) investing activities		(31,861,343)	(2,256,963,014)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(18,379)	(53,643,080)
Proceeds from issuance of ordinary right shares		300,000,000	-
Long-term financing (net)*		(856,134,888)	1,396,439,840
Obligation under finance lease repaid (net)*		(18,754,320)	(18,428,140)
Long-term loans (net)*		(152,252,399)	127,165,543
Short-term financing (net)*		526,836,018	356,942,482
Net cash flows (used in) / generated from financing activities		(200,323,968)	1,808,476,645
Net (decrease) / increase in cash and cash equivalents		(228,253,514)	399,193,150
Cash and cash equivalents at the beginning of the year		12,577,944	(386,615,206)
Cash and cash equivalents at the end of the year	53	(215,675,570)	12,577,944

\* No non-cash item is included in these activities

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 1. LEGAL STATUS AND OPERATIONS

**1.1** The Group consists of TPL Corp Limited (the Holding Company) and its subsidiary companies i.e. TPL Insurance Limited, TPL Properties Limited and its subsidiaries [i.e. Centrepont Management Services (Private) Limited, HKC Limited, G-18 (Private) Limited and TPL REIT Management Company Limited], TPL Life Insurance Limited, TPL Maps (Pvt.) Limited, TPL Trakker Limited, TPL Security Services (Private) Limited and TPL Rupiya (Private) Limited that have been consolidated in these financial statements.

### 1.2 Holding Company

TPL Trakker Limited was incorporated in Pakistan on December 04, 2008 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). In year 2009, the Holding Company was converted into a public company and got listed on Pakistan Stock Exchange Limited on July 16, 2012. Later, with effect from November 24, 2017, the name of the Holding Company has been changed to TPL Corp Limited. The principal activity of the Company is to make investment in group and other companies. TPL Holdings (Private) Limited is the ultimate parent company by virtue of 62.36 percent (2018: 56.99 percent) shareholding as of the reporting date.

### 1.3 As of reporting date, the Holding Company has the following subsidiaries and associates:

	2019	2018
	Rupees	Rupees
	% of shareholding	
<b>Subsidiaries</b>		
TPL Insurance Limited [TIL]	93.51	93.51
TPL Properties Limited [TPLP]	29.62	29.62
Centrepont Management Services (Private) Limited (sub-subsidiary) [CMS]	29.62*	29.62*
HKC Limited (sub-subsidiary) [HKC]	29.62*	29.62*
G-18 (Private) Limited (sub-subsidiary) [G-18]	29.62*	29.62*
TPL REIT Management Company Limited (sub-subsidiary) [TPL REIT]	29.62*	-
TPL Life Insurance Limited [TPLL]	78.30	86.43
TPL Maps (Pvt.) Limited [TMPL]	100	100
TPL Trakker Limited [TTL]	100	100
TPL Security Services (Private) Limited [TSS]	99.90	99.90
TPL Rupiya (Private) Limited [TPLR]	100	100
<b>Associates</b>		
Trakker Middle East LLC [TME]	29	29

\* Represents direct holding of TPLP as at the reporting date.

#### 1.3.1 TPL Insurance Limited [TIL]

TIL was incorporated in Pakistan in 1992 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of TIL is to carry on general insurance business. TIL is listed on Pakistan Stock Exchange Limited with effect from September 22, 2011. The financial year end of TIL is December 31.

In addition to general insurance business, TIL also operate as Window Takaful Operator (WTO) under permission from Securities and Exchange Commission of Pakistan (SECP). In this regard, the TIL has formed a Waqf / Participant Takaful Fund (PTF) which is managed by TIL under the Waqf deed. As of reporting date, the assets, liabilities, income and expenses of PTF are as follows

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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	2019	2018
	Rupees	Rupees
Total assets	<b>1,071,840,321</b>	738,479,779
Total liabilities	<b>1,199,660,674</b>	935,329,589
Underwriting results	<b>42,201,012</b>	(61,177,212)
Surplus / deficit for the year	<b>53,664,454</b>	(53,697,667)
Total comprehensive income / (loss) for the year	<b>54,932,051</b>	(61,689,551)

## 1.3.2 TPL Properties Limited [TPLP]

TPLP was a private limited company incorporated in Pakistan on February 14, 2007 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently in 2016, TPLP has changed its status from private limited company to public company and got listed on Pakistan Stock Exchange Limited. The principal activity of TPLP is to invest, purchase, develop and build real estate and to sell, rent out or otherwise dispose off in any manner the real estate including commercial and residential buildings, houses, shops, plots or other premises. The financial year end of TPLP is June 30.

As of reporting date, the Holding Company has reassessed as to whether or not the Holding Company alongwith the ultimate parent company and other related parties have a defacto control over TPLP as required under International Financial Reporting Standards 10 'Consolidated Financial Statements' (IFRS 10). Based on such assessment, the management has concluded that the Holding Company alongwith other related parties has a defacto control over TPLP having the majority shareholding of 45.69 percent (2018: 45.54 percent) and representation on the board of directors of TPLP (i.e. 05 out of 08 directors) to appoint majority of the directors on Board of TPLP. Accordingly, as of June 30, 2019, the Holding Company continues to account for TPLP as it's subsidiary in these consolidated financial statements.

## 1.3.3 Centrepont Management Services (Private) Limited (sub-subsidiary) [CMS]

CMS was incorporated in Pakistan as a private limited company on August 10, 2011 under repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of CMS is to provide building maintenance services to all kinds and description of residential and commercial buildings. The financial year end of CMS is June 30.

## 1.3.4 HKC Limited (sub-subsidiary) [HKC]

HKC was incorporated in Pakistan on September 13, 2005 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). HKC is principally engaged in the acquisition and development of real estates and renovation of buildings and letting out. The financial year end of HKC is June 30. As of reporting date, HKC is not generating revenue as it is in the process of developing the property, therefore it is fully supported by the financial support of the TPLP to activate its full potential in order to make adequate profits and generate positive cashflows.

## 1.3.5 G-18 (Private) Limited (sub-subsidiary) [G-18]

G-18 is a private limited company incorporated during the year for the purpose of property development. However, as of the reporting date no share capital has been injected and G-18 has not commenced its operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## **1.3.6 TPL REIT Management Company Limited [TPL REIT]**

TPL REIT was incorporated in Pakistan as a public limited company on October 12, 2018 under the Companies Act, 2017. The principal activity of TPL REIT is to carry on all or any business permitted to be carried out by a 'REIT management company' including but not limited to providing 'REIT Management Services' in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (as amended, replaced or supplemented from time to time) and all rules, regulations etc. framed pursuant to the same or generally applicable to a 'REIT management company' under applicable laws. However, as of reporting date, TPL REIT has not commenced its operations.

## **1.3.7 TPL Life Insurance Limited [TPLL]**

TPLL was incorporated on March,19 2008 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited company and is registered as a life insurance company with the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. TPLL obtained license to carry on life and related lines of insurance business on March 2, 2009. TPLL is engaged in life insurance business including ordinary life business, accidental and health business. In August 2018, SECP has also granted Window Takaful license to TPLL to undertake Takaful Window Operation. The financial year end of TPLL is December 31.

## **1.3.8 TPL Maps (Pvt.) Limited**

TPLM was incorporated in Pakistan on December 27, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the TPLM is provide maos navigation services. The financial year end of TPLM is June 30. TPLM is fully supported by the financial assistance of the Holding Company for smooth running of business operations.

## **1.3.9 TPL Trakker Limited [TTL]**

TTL was incorporated in Pakistan on December 27, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the TTL is installation and sale of tracking devices, vehicle tracking and fleet management. The financial year end of TTL is June 30. TTL is fully supported by the financial assistance of the Holding Company for smooth running of business operations.

## **1.3.10 TPL Security Services (Private) Limited [TSS]**

TSS is a private limited company incorporated on May 01, 2000 in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of TSS is to provide security services and other surveillance related services. The financial year end of TSS is June 30. TSS is fully supported by the financial assistance of the Holding Company for smooth running of business operations.

## **1.3.11 TPL Rupiya (Private) Limited [TPLR]**

TPLR is incorporated as a private limited company in Pakistan on April 7, 2015 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the TPLR is to establish and operate as a Mobile Payment Switch that allows mobile payment users to make payment using Near Field Communication (NFC) enabled tag cards, under the Payment Systems

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2019

Operators (PSOs) and Payment Service Providers (PSPs) Rules issued by State Bank of Pakistan (SBP) under Payment System and Electronic Fund Transfer Act, 2007. In this regard, SBP vide their letter No. PSD PR-03 (vii)/010743/2016 dated April 29, 2016 has granted conditional in-principle approval to TPLR which was further extended for three months valid till March 02, 2017 vide letter No. PSD PR-03 (vii)/001573/2017 dated January 20, 2017. TPLR is discussing various aspects of the approval with SBP and expects to receive the extension in due course of time. However, presently TPLR is engaged in providing facilities related to cashless payments, e-ticketing facilities to bus users. The financial year end of TPLR is June 30.

### 1.3.12 Trakker Middle East L.L.C. (TME)

TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of TME is at P.O. Box 52331, Abu Dhabi, United Arab Emirates. The principal activities of TME are the selling, marketing and distribution of products and services in the field of wireless, fleet management, tracking and telemetry services. The book value per share amounts to AED 169 (2018: AED 764) based on the latest available un-audited financial statements for the period ended June 30, 2019.

### 1.4 The geographical location and addresses of business units of the Group are as under:

Location	Addresses
<b>a) Holding Company</b>	
Corporate office, Karachi	12th and 13th floor, Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange, Karachi.
<b>b) Subsidiary companies</b>	
<u>Corporate / registered office at Karachi</u>	
TPL Insurance Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Properties Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
Centrepont Management Services (Private) Limited (sub-subsidiary)	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
HKC Limited (sub-subsidiary) Development property site	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange. Plot No 22/7, Street CL-9, Civil Lines Quarter, Karachi
G-18 (Private) Limited (sub-subsidiary)	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL REIT Management Company Limited (sub-subsidiary)	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Life Insurance Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Maps (Pvt.) Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Trakker Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Security Services (Private) Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
TPL Rupiya (Private) Limited	Centrepont Building, Off Shaheed-e-Millat Expressway, Adjacent KPT Interchange.
<u>Regional offices:</u>	
Hyderabad office	A-8 District Council Complex, Hyderabad.
Lahore office	51-M, Denim Road, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore.
Islamabad office	10th floor (South) ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad.
Faisalabad office	P6161, West Canal road, Adjacent to Toyota Faisalabad Motors, Faisalabad.
Multan office	House No. 5, Suraj Miani Road, Opp. Ashraf Cardiac Clinic, Chungi No. 1, Multan.
Peshawar office	C-7 & C-8 3rd Floor, Jasmine Arcade, Fakhr-e-Alam Road, Peshawar.

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- 1.5** During the year, the Holding Company has issued 30 million ordinary right shares at par i.e. Rs. 10 each amounting to Rs. 300 million.
- 1.6** During the year ended June 30, 2018, the Holding Company had transferred net assets of Rs. 383.291 million and Rs. 607.771 million related to its Maps and Tracking businesses to the wholly owned subsidiaries namely TPL Maps (Pvt.) Limited and TPL Trakker Limited, respectively, effective from July 01, 2017 under the Scheme of Arrangement (the Scheme) sanctioned / approved by Honorable High Court of Sindh vide its order No. J.C.M. Petition No. 48 of 2016 dated November 17, 2017, in consideration for ordinary shares of these subsidiaries.

Under the said Scheme, the Holding Company has also acquired 21.104 million ordinary shares of TPL Properties Limited (a subsidiary company) from TPL Holdings (Private) Limited (the ultimate parent company) in consideration of issuance of 20.048 million ordinary shares of the Holding Company at par in a swap ratio 0.95. Resultantly, the capital reserve of Rs.60.856 million was created in the financial statements under the said Scheme.

## **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

## **3. BASIS OF PREPARATION**

These consolidated financial statements have been prepared under the 'historical cost' convention, unless otherwise specifically stated.

## **4. BASIS OF CONSOLIDATION**

These consolidated financial statements comprises the financial statements of the Holding Company and its subsidiaries as at June 30, 2019, here-in-after referred to as 'the Group'.

### **Subsidiaries**

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

The subsidiaries has same reporting period as that of the Holding Company, however, the accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

When the ownership of a subsidiary is less than 100 percent and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated on its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in the profit or loss, and reclassifies the Holding Company share of component previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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## Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits and losses is recognised in the profit or loss, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 New / amended standards, interpretations and improvements

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as stated below:

The Group has adopted the new / amended standards, interpretations and improvements to IFRSs which became effective for the current year:

IFRS 2	Share based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IAS 40	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	Foreign Currency Transactions and Advance Consideration



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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## Improvements to accounting standards issued by IASB in December 2016

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoption of the above standards, interpretations and improvement to standards did not have any material effect on these financial statements in the period of initial application except for the adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' as explained in notes 5.1.1 and 5.1.2 to these financial statements.

### 5.1.1. IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments', has replaced IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39) for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

IFRS 9 categorizes financial assets at (a) amortised cost; (b) fair value through other comprehensive income (FVOCI); and (c) fair value through profit or loss (FVTPL) and their classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 has changed the accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires to recognise a loss allowance for ECLs on debt instruments measured subsequently at amortised cost or at FVOCI. There are no significant changes in the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

As allowed under IFRS 9, the Group has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements and therefore, the information presented for prior periods does not reflect the requirements of IFRS 9, but rather those of IAS 39.

For insurance businesses (general and life), the Group has opted for temporary exemption for apply IFRS 9 with IFRS 17 'Insurance Contracts' as allowed under approved accounting standards. For businesses other than insurance, the effect of initial application of IFRS 9 on the classification, measurement and carrying amount of the Group's existing financial assets and liabilities as at July 01, 2018 is enumerated below:

#### i) Classification and measurement

At transition date to IFRS 9, the Group has financial assets (i.e. loans, deposits, trade and other receivables and cash at banks) previously classified as 'loans and receivables' under IAS 39 that were measured at amortised cost continue to be classified and measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist of SPPI on the principal amount outstanding. Therefore, the classification and measurement requirements of IFRS 9 does not have any material impact on the Group's financial position, profit or loss, other comprehensive income or total comprehensive income in the period of initial application.

#### ii) Impairment

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group has also considered a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. The adoption of the ECL requirements of IFRS 9 has resulted in an adjustment of Rs. 43.618 million. Accordingly, opening retained earnings as at July 01, 2018 has been restated to the extent of this adjustment. All bank balances are assessed to have a low credit risk, as they are held with reputable banking institutions.

Financial asset	Original category under IAS 39	New category under IFRS 9	Allowances for impairment under IAS 39 - July 01, 2018	Effect of adoption/application of IFRS 9	Expected credit losses under IFRS 9 - July 01, 2018
			Rupees	Rupees	Rupees
Loans	Loans and receivables	Amortised cost	-	-	-
Deposits	Loans and receivables	Amortised cost	-	-	-
Trade debts (note 16.4)	Loans and receivables	Amortised cost	30,997,873	43,618,479	74,616,352
Interest accrued	Loans and receivables	Amortised cost	-	-	-
Other receivables	Loans and receivables	Amortised cost	-	-	-
Due from related parties	Loans and receivables	Amortised cost	-	-	-
Bank balances	Loans and receivables	Amortised cost	-	-	-

The accounting policy in respect of financial instruments and impairment of financial assets is stated in note 5.8 to these financial statements.

## 5.1.2. IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It has replaced IAS 18 'Revenue Recognition', IAS 11 'Construction Contracts' and related interpretations for annual periods beginning on or after July 01, 2018.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when a customer obtains control of the goods or services and the determination of timing of the transfer of control – at a point in time or over the time requires judgement. Further, revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The Group is operating in various businesses including business of (a) sale of equipment (tracking devices) and associated monitoring and other services; (b) maps navigations services; (c) security services; (d) sale and services related to real estate; (e) cashless payments and e-ticketing facilities to bus users; and (f) general and life insurance services. The Group has separate contracts with customers for providing goods and rendering of services which individually includes one performance obligation,

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respectively. Therefore, the Group has concluded that the revenue from sale of goods should be recognised at the point in time i.e. the time when performance obligation is met. However, revenue derived from rendering of certain services by the Group (including monitoring fees, insurance premium, etc.) should be recognised over the time i.e. as and when performance obligation is met and for certain other services revenue should be recorded at the point in time. Therefore, the adoption of IFRS 15 does not have any material impact on the Group's timing of revenue recognition and the amount of revenue recognised. Accordingly, opening retained earnings as at July 01, 2018 does not required to be restated.

As allowed under IFRS 15, the Group has adopted the new standard on the required effective date using a modified retrospective method, therefore the information presented for prior periods has not been restated. i.e. it is presented, as previously reported, under IAS 18 and related interpretations and additional disclosure requirements in IFRS 15 have not been applied to comparative information.

The accounting policy in respect of revenue recognition is stated in note 5.15 to these financial statements.

## 5.2 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these consolidated financial statements:

### a) Operating fixed assets and intangible assets

The Group reviews the useful lives, methods of depreciation / amortisation and residual values of operating fixed assets and intangible assets on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible assets with a corresponding effect on the depreciation / amortisation charge and impairment. The Group assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognized as expense in the profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued assets is treated as revaluation decrease.

### b) Investment property

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. An independent valuation specialist is engaged by the Group to assess fair value of investment property based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

### c) Classification of property

The Group determines whether a property is classified as investment property or development

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property. Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Development property comprises property that is held/constructed for sale in the ordinary course of business and principally covers residential property that the Group is developing and intends to sell before or on completion of construction.

## **d) Stock-in-trade / development property**

The Group reviews the net realisable value of stock-in-trade / development property to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

## **e) Allowance for expected credit losses**

The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Any change might affect the carrying value and amount of expected credit loss charge to profit or loss.

## **g) Recognition of tax and deferred tax**

The provision for taxation is accounted for by the Group after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Group's view differs from the view taken by the tax authorities at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

## **h) Policyholders liabilities**

Policyholders' liabilities are calculated by the appointed actuary on the basis of assumptions. calculation for premium deficiency reserve and claims incurred but not reported (IBNR) is calculated by the appointed actuary on the basis of assumptions that the claim lag patterns will follow the historical trend experience. If for any policy the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these consolidated financial statements.

## **5.3 Property, plant and equipment**

### **5.3.1 Owned**

Property, plant and equipment (except for leasehold land and buildings on leasehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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Leasehold land and buildings on leasehold land are stated at revalued amounts, which are the fair value at the date of revaluation. Subsequently, these are stated at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation is charged to profit or loss applying the straight-line method. Depreciation on additions during the year is charged from the month of addition when the asset is available for use, whereas, depreciation on disposals is charged upto the month in which the disposal takes place.

Rates of depreciation which are disclosed in note 7.1 to these consolidated financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalised and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to profit or loss, as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to profit or loss.

### 5.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

### 5.3.3 Leased

Finance leases, which transfer to the Group, all the risks and benefits incidental to ownership of leased items are capitalised at the inception of lease. Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback transactions, if any, is deferred and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit or loss. Leased assets are depreciated on a straight line basis at the same rate as Group's owned assets as disclosed in note 7.1 to these consolidated financial statements.

### 5.3.4 Surplus on revaluation of property, plant and equipment

A revaluation surplus is recorded in other comprehensive income and credited to the asset

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

## 5.4 Intangible assets

Intangible assets other than goodwill, management rights, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Goodwill, management rights, customers related intangible assets and marketing related intangible assets are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite and are tested for impairment annually. For other intangibles, amortisation is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The amortisation rate of the intangible assets are stated in note 8.1 to these consolidated financial statements. Full month's amortisation is charged in the month of addition when the asset is available for use, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

### 5.4.1 Intangible assets under development

Intangible assets under development are stated at cost less accumulated impairment losses, if any, and are tested for impairment annually. It consists of expenditure incurred and advances made in respect of intangible assets under development in the course of their acquisition, erection, development and installation. The assets are transferred to relevant category of intangible assets when they are available for use.

### 5.4.2 Business combinations and Goodwill

The Group uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at the acquisition date, being the excess of:

- a) the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and
- b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the profit or loss on the acquisition date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2019

Goodwill acquired in a business combination is measured subsequent to initial recognition, at cost less accumulated impairment losses, if any, and is tested annually or whenever, there is an indication of impairment. Impairment loss in respect of goodwill is recognised in profit or loss.

### 5.5 Investment property

Investment property comprises completed property and property under construction that is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met.

Subsequent to initial recognition, investment property is stated at fair value which reflects market condition at reporting date. Gains or losses arising from changes in the fair values are included in the profit or loss in the year in which they arise, including the corresponding tax effect, if any. Fair values are determined based on an annual valuation performed by an accredited independent valuer.

Investment property under construction is measured at cost less accumulated impairment losses, if any. Cost includes the cost of land acquired for the development of project and other purchase cost, related government taxes, construction cost, borrowing cost and other overheads necessary to bring the premises for capital appreciation or rental earnings.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecognition of investment property are recognised in the profit or loss in the year of retirement or disposal. Gain or loss on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to or from the investment property only when there is a change in use. For a transfer from investment property to owner-occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment upto the date of change in use.

Maintenance and normal repairs are charged to profit or loss, as and when incurred. Major renewals and improvements, if any, are capitalised, if recognition criteria is met.

### 5.6 Stock-in-trade

Stock-in-trade is valued at the lower of cost, determined on a first-in-first-out basis and net realisable value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Spare parts and loose tools are valued at lower of weighted average cost and net realisable value, except items in transit, which are stated at cost. Spare parts and loose tools are charged to cost of goods sold on an estimated consumption pattern.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessarily to be incurred to make the sale.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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## 5.7 Development properties

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties. The Group will sell the completed housing units and not providing any construction services as a contractor engaged by the buyer. In addition, the buyer of housing units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred till the completion of project are capitalised as development properties and is stated in lower of cost and net realisable value. Accordingly, the cost of development properties under construction includes:

- a) cost of leasehold land;
- b) amounts paid to contractors for construction; and
- c) planning and design costs, cost of site preparation, professional fee for legal services, property transfer taxes, development charges, construction overheads and other related costs necessary to bring the premises in saleable condition.
- d) contractors for developing inner perimeter, including but not limited to road development, amenities and utilities and other infrastructure.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices less costs to completion and the estimated costs of sale.

## 5.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 5.8.1 Financial assets

#### 5.8.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised

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on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

## 5.8.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

### a) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### b) Financial assets designated at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

### c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as dividend income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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The Group elected to classify irrevocably its listed and non-listed equity investments, if any, under this category.

## **d) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the profit or loss when the right of payment has been established.

## **5.8.1.3Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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## 5.8.1.4 Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables (if any), the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due over the agreed terms. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 5.8.2 Financial liabilities

### 5.8.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 5.8.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

#### b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

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## 5.8.2.3Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

## 5.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 5.9 Impairment of non-financial assets, goodwill and investments in associates

The Holding Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Holding Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Holding Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

Impairment losses relating to goodwill are not reversed in future periods.

## 5.10 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents comprise bank balances including short-term deposits net of bank overdraft, if any.

## 5.11 Staff retirement benefits

### 5.11.1 Defined contribution plan

The Group operates a recognised provident fund (defined contribution scheme) for its permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made, both by the Group and the employees at the rate of 8.33 percent of the basic salary. The contribution of the Group for the year is charged to the profit or loss.

### 5.11.2 Defined benefit plan

TSS operates an unfunded gratuity scheme covering all its employees completing the minimum qualifying period of 1 year of service under the scheme.

## 5.12 Taxation

### Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

### Deferred

Deferred tax is recognised using the balance sheet method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

Deferred tax relating to items recognised directly in the other comprehensive income is recognised in the other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

## 5.13 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimates.

## 5.14 Operating leases / Ijarah agreements

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) / ijarah agreements are charged to the profit or loss on a straight line basis over the lease / ijarah term.

## 5.15 Revenue recognition

Revenue from contracts with customers is recognised when the control of goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

- Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer i.e. when goods are installed. Revenue from rendering of monitoring services is recognised over the time i.e. as and when services are rendered. Revenue from rendering of other associated services are recognised at the point in time when services are rendered.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods and rendering of services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

- "Revenue from sale of goods and rendering of maps navigation services is recognised at the point in time when control of the goods and services are transferred to the customer, generally on delivery of goods and rendering services for installation of goods.

The Group considers whether there are other promises in the contract that are separate



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performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods and maps navigation services, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any)."

- Rental income receivable from operating leases are recognized at straight-line basis over the lease term except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Incentives for lessee to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the lessee has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the lessee will exercise that option. Amounts received from lessee to terminate leases or to compensate for dilapidations are recognised in the profit or loss when the right to receive them arises.
- Revenue from sale of residential property is recognised when both: (i) construction is complete; and (ii) legal title to the property has been transferred.
- The revenue recognition policies for premium and commission from reinsurer are given under the notes 5.16.2 and 5.16.3 below.
- Gain / loss on sale / redemption of investments is taken to profit or loss in the year of sale / redemption.
- Income from held to maturity investments is recognised on a time proportionate basis taking account the effective yield on the investments.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on bank accounts is recorded using effective interest rate.
- Other income, if any, is recognized on accrual basis.

### 5.16 Insurance related policies

#### 5.16.1 Insurance contracts

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

#### General Insurance

The Group underwrites non-life insurance contracts that can be categorised into fire and property damage, marine, aviation and transport, health, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Group as insurer.

Fire and property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances like cash in hand, cash in transit, personal accident, travel are included under miscellaneous insurance cover.

The Group neither issues investments contracts nor does it issue insurance contracts with discretionary participation features (DPF).

These contracts are made with group companies, corporate clients and individuals residing or located in Pakistan.

## **Life insurance**

### **Insurance contracts represent contracts with policy holders and reinsurers.**

Those contracts where the Group (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts.

The Group enters into insurance contracts with policyholders which are divided into following two major categories:

### **Group insurance contracts**

The Group offers group life and group health to its clients. The risk underwritten is mainly death, hospitalization and disability. The group insurance contracts are issued typically on yearly renewable term basis.

### **Individual insurance contracts**

Individual life unit linked policies are regular life policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Family Income Benefit, etc.) are also sold along with the basic policies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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Individual health contracts are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is medical expenses related to outpatient services and hospitalization.

## 5.16.2 Premium

### General insurance

Premium income under a policy is recognized, evenly over the period of insurance from the date of issuance of the policy till the date of its expiry. Administrative surcharge is recognised as income at the time policies are written.

Revenue from premiums is determined after taking into account the unearned portion of premium by applying 1/24th method as prescribed by the Insurance Rules, 2017. The unearned portion of premium income is recognised as liability.

Premium due but unpaid under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

### Life insurance

First year individual life and individual accident & health premiums are recognized once the related policy have been issued and premiums received. Renewal premiums are recognized upon receipt of premium provided the policy is still in force.

Premiums for group life, group health business are recognized as and when due. Receivables under insurance contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

## 5.16.3 Reinsurance contracts

Insurance contracts entered into by the Group with reinsurers for compensation of losses suffered on insurance contracts issued are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these consolidated financial statements. The Group recognises the entitled benefits under the contract as various reinsurance assets. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets as

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

required by Insurance Ordinance, 2000.

Reinsurance premiums are recognized at the same time when the premium income is recognized. It is measured in line with the terms and condition of the reinsurance treaties.

The deferred portion of reinsurance premium ceded is recognised as a prepayment which is calculated by using 1/24th method as prescribed by the Insurance Rules, 2017.

The Group assesses its reinsurance assets for impairment on reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit or loss.

## 5.16.4 Claims expense

### General insurance

Insurance claims include all claims incurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, and any adjustments to claims outstanding from previous years.

The Group recognises liability in respect of all claims incurred upto the reporting date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract.

The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates.

The provision for claims incurred but not reported (IBNR) is made at the reporting date. In accordance with SECP circular no. 9 of 2016, the Group takes actuarial advice for the determination of IBNR claims. Provision for IBNR claims have been determined by analyzing the lag between the incurrence and reporting of motor and health business claims. For fire and marine businesses, as the Group has started these businesses during the current year, no historical data is available, therefore, industry wide-data has been used to calculate provision of IBNR claims. For travel business, in absence of credible industry wide-data, an average of all other classes has been used to determine provision for IBNR claims.

### Life insurance

Claim expenses are recognized on the date the insured event is intimated except for individual life unit linked where claim expenses are recognized earlier of the date the policy cease to participate in the earnings of the fund and the date insured event is intimated. A liability for outstanding claims is recognized in respect of all claims incurred up to the reporting period, as soon as reliable estimates of the claim amount can be made. The liability for claims "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities. Claims recoveries receivable from reinsurers are recognized as assets at the same time when the corresponding claims are recorded in accordance with the terms of the re-insurance contracts.

Experience refund of premium payable / receivable to / from Group policy holders is included in outstanding claims.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 5.16.5 Reinsurance recoveries against outstanding claims

Claims recoveries against outstanding claims from the reinsurer and salvage are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

## 5.16.6 Commission

Commission expense incurred in obtaining and recording policies is deferred and recognised in profit or loss as an expense in accordance with the pattern of recognition of premium revenue. Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy. These are deferred and recognised as liability and recognised in the profit or loss as revenue in accordance with the pattern of recognition of the reinsurance premiums.

## 5.16.7 Premium deficiency reserve

The Group is required as per Insurance Rules, 2017, SEC (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The charge for premium deficiency reserve is recorded as an expense in the profit or loss and the same shall be recognized as a liability.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined. Further actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of Health insurance as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on 9 January 2012.

## 5.16.8 Acquisition cost

Acquisition cost comprise of commission and other costs incurred in acquiring insurance policies and include without limitation all forms of remuneration paid to insurance agents. These are recognized as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except those which are directly referable to the acquisition or renewal of specific contracts that are recognised not later than the period in which the premium to which they refer is recognized as revenue.

## 5.16.9 Policyholders' liabilities

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each reporting date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Group underwrites are considered. The basis used are applied consistently from year to year. Calculation for premium deficiency reserve and claims incurred but not reported (IBNR) is calculated by the appointed actuary on the basis of assumptions that the claim pattern will follow the historical trend experience.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 5.16.10 Receivables and payables related to insurance contract

Receivables and payables are recognised when due. These include amounts due to and from agents and policyholders.

## 5.16.11 Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. Any deficiency is immediately charged to profit or loss initially by writing off the deferred policy acquisition costs, if any, and by subsequently establishing a provision for losses arising from liability adequacy tests.

## 5.16.12 Statutory funds

The Group maintains statutory funds for accident and health businesses, conventional business and individual life unit linked. Assets, liabilities, revenues and expenses are recorded in the fund, if referable or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenue and expenses are allocated to shareholders' funds. Policyholders' liabilities have been included in statutory funds on the basis of actuarial valuation carried out by the appointed actuary of the Group on the reporting date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' funds is recorded as a reduction in the shareholders' equity.

## 5.16.13 Investments

### Investment at fair value through profit or loss (held for trading)

At the time of acquisition, quoted investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or are part of portfolio for which there is a recent actual pattern of short term profit taking are classified as held for trading.

Subsequent to initial recognition these are remeasured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the period in which it arises.

### Available-for-sale

Available-for-sale investments are those non-derivative instruments /contracts that are designated as available for sale or are not classified in any other category.

At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale.

### Quoted

Subsequent to initial measurement, these are remeasured at fair value. Surplus / (deficit) on revaluation from one reporting date to other is taken to other comprehensive income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit or loss for the period.

These are reviewed for impairment at year end. The Group considers that available-for-sale equity investments and mutual funds are impaired when there has been a significant or prolonged

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. The Group considers that a decline of 30% in the market value of any scrip below its cost shall constitute as a significant decline and where market value remains below the cost for a period of one year shall constitute as a prolonged decline. Any losses arising from impairment in values are charged to the profit or loss.

## **Held-to-maturity**

At the time of acquisition, investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity.

Subsequently, these are measured at amortised cost less provision for impairment in value, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition by using the effective yield method.

The difference between the redemption value and the purchase price of the held-to-maturity investments is amortised and taken to the profit and loss account over the term of the investment.

These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the profit or loss.

## **5.16.14 Financial instruments**

Financial assets and financial liabilities within the scope of IAS - 39 are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expire or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities is recognised in the profit and loss account of the current year.

## **5.16.15 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, if the Group has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

## **5.16.16 Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in profit or loss.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## **5.16.17 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

## **5.17 Foreign currency translation**

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## **5.18 Borrowing costs**

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **5.19 Dividend and appropriation to reserves**

Dividend and appropriation to reserves are recognised in the consolidated financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the consolidated financial statements.

## **5.20 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those allocated on a reasonable basis.

## **5.21 Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 5.22 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards		Effective date (annual periods beginning on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 3	Business Combinations: Previously held interests in a joint operation	January 01, 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments)	January 01, 2019
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11	Joint Arrangements Previously held interests in a joint operation	January 01, 2019
IFRS 16	Leases	January 01, 2019
IAS 1/ IAS 8	Definition of Material (Amendments)	January 01, 2020
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation	January 01, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019 respectively. The Group expects that such improvements to the standards will not have any impact on the Group's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards		Effective date (annual periods beginning on or after)
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 17	Insurance Contracts	January 01, 2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 6. DETAILS OF RELATED PARTIES

Name of a related party	Basis of relationship	Shareholding
TPL Holdings (Private) Limited	Parent company	-
TPL Rupiya (Private) Limited	Wholly owned subsidiary	100%
TPL Trakker Limited	Wholly owned subsidiary	100%
TPL Maps (Pvt.) Limited	Wholly owned subsidiary	100%
TPL Security Services (Private) Limited	Subsidiary	99.90%
TPL Insurance Limited	Subsidiary	93.51%
TPL Life Insurance Limited	Subsidiary	78.33%
TPL Properties Limited	Subsidiary	29.62%
Centrepont Management Services (Private) Limited	Sub-subsidiary of TPLP	29.62%
HKC (Private) Limited	Sub-subsidiary of TPLP	29.62%
G18 (Private) Limited	Sub-subsidiary of TPLP	29.62%
TPL REIT Management Company Limited	Sub-subsidiary of TPLP	29.62%
Trakker Middle East LLC	Associated company	29%
TPL E-Ventures (Pvt.) Limited	Associated company	-
TPL Mobile (Private) Limited	Associated undertaking	-
TPL Tech Pakistan (Private) Limited	Common directorship	-
Sapphire Fibers Limited	Common directorship	-
Agriauto Industries Limited	Common directorship	-
IBEX Global Solutions (Private) Limited	Common directorship	-
Virtual World (Private) Limited	Common directorship	-
Digital Globe Services (Private) Limited	Common directorship	-
Afiniti Software Solutions (Private) Limited	Common directorship	-
Vesttrue DMCC, Dubai, UAE	Common directorship	-
Vesttrue Holdings Limited, Dubai, UAE	Common directorship	-
Kulsum Holdings Limited, Dubai, UAE	Common directorship	-
Brans Holdings Limited, Dubai, UAE	Common directorship	-
Rashwell Company LLC, Dubai, UAE	Common directorship	-
Slaide (Pty) Ltd	Common directorship	-
Macanta (Pty) Ltd	Common directorship	-
Fleetcam (Pty) Ltd	Common directorship	-
Cherosco (Pty) Ltd	Common directorship	-
Casi International (Pty) Ltd	Common directorship	-
TPL Direct Finance (Private) Limited	Common directorship	-
TRG Pakistan Limited	Common directorship	-
TPL Logistics (Private) Limited	Common directorship	-
Trakker Energy (Private) Limited	Common directorship	-
TRG (Private) Limited	Common directorship	-
Pakistan Oxygen Limited (formerly Linde Pakistan Limited)	Common directorship	-
Engro Corporation Limited	Common directorship	-
Adira Capital Holding (Private) Ltd.	Common directorship	-
Noesis (Private) Ltd.	Common directorship	-
Institute of Business Administration	Common directorship	-
The i-care Pakistan	Common directorship	-
State Bank of Pakistan	Common directorship	-
Shakarganj Food Products Limited	Common directorship	-
KASB Investment Management (Private) Limited	Common directorship	-
Merit Packaging Limited	Common directorship	-
Grant Thornton Consulting (Private) Limited	Common directorship	-
JS Investment Limited	Common directorship	-
TPL Direct Insurance Limited - Employees' Provident Fund	Retirement benefit fund	-
TPL Properties Limited - Employees' Provident Fund	Retirement benefit fund	-
Centrepont Management Services (Private) Limited - Employees' Provident Fund	Retirement benefit fund	-
Trakker (Private) Limited Staff Provident Fund	Retirement benefit fund	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	<b>2,476,625,741</b>	1,967,447,745
Capital work-in-progress	7.3	<b>283,442,769</b>	246,623,842
		<b>2,760,068,510</b>	<b>2,214,071,587</b>

## 7.1 Operating fixed assets

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2018	Addition / (disposals) / transfers / write off	As at June 30, 2019	As at July 01, 2018	Charge for the year / (On disposals) / transfers / write off	As at June 30, 2019	As at June 30, 2019	Depreciation rate %
	(Rupees)							
<b>Owned</b>								
Leasehold land	413,000,000	322,350,000	735,350,000	-	2,794,603	2,794,603	732,555,397	-
Building on leasehold land	456,468,643	7,192,792	463,661,435	42,576,461	3,362,438	45,938,899	417,722,536	5
Machinery	8,588	-	8,588	8,588	-	8,588	-	10
Computers and accessories	220,311,716	127,045,601 (23,010,315)	324,347,002	187,162,715	42,388,048 (22,916,303)	206,634,460	117,712,542	33-33.33
Generators	5,441,065	75,500	5,516,565	5,441,065	-	5,441,065	75,500	20
Power generation unit	162,874,749	1,090,000	163,964,749	25,386,041	7,750,383	33,136,424	130,828,325	3.33-5
Electrical equipment and devices	1,150,377,421	28,855,243 200,527,470 (5,476,603)	1,374,283,531	382,814,337	175,849,886 (5,476,603)	553,187,620	821,095,911	3.33-33.33
IT equipment	33,050,440	-	33,050,440	26,826,494	4,640,783	31,467,277	1,583,163	20
Furniture and fittings	199,615,039	12,742,656 14,069,650	226,427,345	107,543,339	40,880,600	148,423,939	78,003,406	16.67-20
Vehicles	72,965,737	17,268,022 3,440,836 (4,577,954)	89,096,641	22,671,586	19,429,315 3,440,836 (4,026,287)	41,515,450	47,581,191	20
Construction of shed	6,048,277	-	6,048,277	6,048,277	-	6,048,277	-	20
Mobile phones	14,776,316	3,873,966 (1,513,700)	17,136,582	9,809,440	4,391,891 (1,151,650)	13,049,681	4,086,901	33.33-50
Weapons	4,389,593	1,926,500	6,316,093	2,524,828	574,682	3,099,510	3,216,583	10-20
ICOM based station	25,000	-	25,000	23,641	340	23,981	1,019	25
Leasehold improvements	5,149,000	-	5,149,000	1,193,760	1,108,000	2,301,760	2,847,240	10-33
Gym equipments	14,178,658	2,996,366	17,175,024	1,500,992	1,607,455	3,108,447	14,066,577	33.33
	<b>2,758,680,242</b>	<b>525,416,646</b> <b>14,069,650</b> <b>** 200,527,470</b> <b>*** 3,440,836</b> <b>**** (34,578,572)</b>	<b>3,467,556,272</b>	<b>821,531,564</b>	<b>304,778,424</b> <b>3,440,836</b> <b>(33,570,843)</b>	<b>1,096,179,981</b>	<b>2,371,376,291</b>	
<b>Leased</b>								
Computer and accessories	39,470,381	81,751,952	121,222,333	37,963,726	8,050,651	46,014,377	75,207,956	33.33
Electrical equipment	-	-	-	-	-	-	-	20
Mobile phones	279,800	(279,800)	-	279,800	(279,800)	-	-	20
Generators	-	-	-	-	-	-	-	20
Vehicles	64,254,630	6,257,000 (3,440,836)	67,070,794	35,462,218	5,007,918 (3,440,836)	37,029,300	30,041,494	20
	<b>104,004,811</b>	<b>88,008,952</b> <b>*** (3,440,836)</b> <b>**** (279,800)</b>	<b>188,293,127</b>	<b>73,705,744</b>	<b>13,058,569</b> <b>*** (3,440,836)</b> <b>**** (279,800)</b>	<b>83,043,677</b>	<b>105,249,450</b>	
<b>2019</b>	<b>2,862,685,053</b>	<b>613,425,598</b> <b>* 14,069,650</b> <b>** 200,527,470</b> <b>*** (279,800)</b> <b>**** (34,578,572)</b>	<b>3,655,849,399</b>	<b>895,237,308</b>	<b>317,836,993</b> <b>**** (279,800)</b> <b>(33,570,843)</b>	<b>1,179,223,658</b>	<b>2,476,625,741</b>	

\* Represents transfers from capital work-in-progress to owned asset

\*\* Represents transfers from stock-in-trade to owned assets

\*\*\* Represents assets derecognised on termination of lease

\*\*\*\* Represents assets transferred from leased asset to owned asset

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2019

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE		
	As at July 01, 2017	Acquired under business combination (note 8)	Addition / (disposals) / transfers / write off	As at June 30, 2018	As at July 01, 2017	On acquisition under business combination (note 8)	Charge for the year / (On disposals) / transfers / write off	As at June 30, 2018	As at June 30, 2018	Depreciation rate %
<b>Owned</b>										
Leasehold land	413,000,000	-	-	413,000,000	-	-	-	-	413,000,000	-
Building on leasehold land	425,148,831	31,319,812	-	456,468,643	28,014,310	8,356,161	6,205,990	425,76,461	413,892,182	5
Machinery	8,588	-	-	8,588	8,588	-	-	8,588	-	10
Computers and accessories	237,602,265	32,981,321	23,509,990 431,252 (1,958,000) (72,255,112)	220,311,716	220,276,281	20,694,703	18,896,454 (449,611) (72,255,112)	187,162,715	33,149,001	33-33.33
Generators	6,502,202	-	(1,061,137)	5,441,065	6,502,202	-	(1,061,137)	5,441,065	-	20
Power generation unit	160,659,152	-	2,215,597	162,874,749	17,893,447	-	7,492,594	25,386,041	137,488,708	3.33-5
Electrical equipment and devices	918,188,448	21,308,340	37,743,511 376,730 197,107,456 (6,235,430) (18,111,634)	1,150,377,421	302,073,201	15,400,139	89,080,383 (5,627,752) (18,111,634)	382,814,337	767,563,084	3.33-33.33
IT equipment	33,050,440	-	-	33,050,440	18,866,941	-	7,959,553	26,826,494	6,223,946	20
Furniture and fittings	183,106,012	18,742,797	9,698,056 14,731,589 (7,193,611) (19,469,804)	199,615,039	94,454,277	4,993,870	33,149,507 (5,584,511) (19,469,804)	107,543,339	92,071,700	16.67-20
Vehicles	109,355,379	18,859,223	16,764,058 45,152,414 (92,965,337) (24,200,000)	72,965,737	69,486,244	12,346,040	19,931,567 (79,092,265)	22,671,586	50,294,151	20
Construction of shed	6,048,277	-	-	6,048,277	6,048,277	-	-	6,048,277	-	20
Mobile phones	25,434,839	-	3,587,399 75,700 (2,137,780) (12,183,842)	14,776,316	18,166,150	-	5,465,232 (1,638,100) (12,183,842)	9,809,440	4,966,876	33.33-50
Weapons	3,966,033	-	423,560	4,389,593	2,108,506	-	416,322	2,524,828	1,864,765	10-20
ICOM based station	25,000	-	-	25,000	22,282	-	1,359	23,641	1,359	25
Leasehold improvements	5,007,000	-	270,000 (128,000)	5,149,000	127,760	-	1,066,000	1,193,760	3,955,240	10-33
Gym equipments	11,415,174	-	2,763,484	14,178,658	197,771	-	1,303,221	1,500,992	12,677,666	33.33
	<b>2,538,517,640</b>	<b>123,211,493</b>	<b>96,975,655</b> <b>60,767,685</b> <b>197,107,456</b> <b>(110,618,158)</b> <b>(123,081,529)</b> <b>(24,200,000)</b>	<b>2,758,680,242</b>	<b>784,246,237</b>	<b>61,790,913</b>	<b>190,968,182</b> <b>(92,392,239)</b> <b>(123,081,529)</b>	<b>821,531,564</b>	<b>1,937,148,678</b>	
<b>Leased</b>										
Computer and accessories	39,470,381	-	-	39,470,381	37,418,408	-	545,318	37,963,726	1,506,655	33.33
Electrical equipment	-	-	-	-	-	-	-	-	-	20
Mobile phones	279,800	-	-	279,800	279,800	-	-	279,800	-	20
Generators	16,000,400	-	(16,000,400)	-	6,400,152	-	1,866,713 (8,266,865)	-	-	20
Vehicles	40,054,630	-	24,200,000	64,254,630	31,405,122	-	4,057,096	35,462,218	28,792,412	20
	<b>95,805,211</b>	<b>-</b>	<b>(16,000,400)</b> <b>24,200,000</b>	<b>104,004,811</b>	<b>75,503,482</b>	<b>-</b>	<b>6,469,127</b> <b>(8,266,865)</b>	<b>73,705,744</b>	<b>30,299,067</b>	
<b>2018</b>	<b>2,634,322,851</b>	<b>123,211,493</b>	<b>96,975,655</b> <b>60,767,685</b> <b>197,107,456</b> <b>(110,618,158)</b> <b>(16,000,400)</b> <b>(123,081,529)</b>	<b>2,862,685,053</b>	<b>859,749,719</b>	<b>61,790,913</b>	<b>197,437,309</b> <b>(92,392,239)</b> <b>(8,266,865)</b> <b>(123,081,529)</b>	<b>895,237,308</b>	<b>1,967,447,745</b>	

\* Represents transfers from capital work-in-progress to owned assets

\*\* Represents transfers from stock-in-trade to owned assets.

\*\*\* Represents assets derecognised on termination of lease.

\*\*\*\* Represents assets written off during the year.

\*\*\*\*\* Represents assets disposed off under sale and leaseback arrangement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>7.1.1</b>	Depreciation charge for the year has been allocated as follows:		
Cost of sales and services	43	<b>191,044,872</b>	126,481,893
Distribution expenses	44	<b>42,966,155</b>	26,045,694
Administrative expenses	45	<b>83,825,966</b>	44,909,722
		<b>317,836,993</b>	197,437,309

**7.1.2** Computers and accessories and vehicles includes assets costing Rs. 4.443 million and 1.972 million respectively purchased during the year on maturity of ijarah agreements. As of the reporting date, the Group is in the process of obtaining no objection certificates and transferring the ownership of these assets in the name of the Group.

**7.1.3** During the year, the Group has transferred tracking devices from stock-in-trade at a cost of Rs 200.527 million (2018: Rs. 197.107 million) to owned assets. As of reporting date assets costing Rs. 820.239 million (2018: Rs. 619.765 million) are in possession of third parties, on rental basis. The particulars of these assets have not been disclosed due to several numbers of parties involved.

**7.1.4** Includes in operating fixed assets are fully depreciated assets having cost of Rs. 504.999 million (2018: Rs. 384.521 million).

**7.1.5** During the year, the Group has appointed an independent valuer to carry out a revaluation exercise of its leasehold land and building on leasehold land, which has resulted in surplus on leasehold land and building on leasehold land of Rs. 322.35 million and Rs. 7.193 million, respectively (note 26).

Had there been no revaluation, the aggregated cost and written down value of revalued leasehold land and building on leasehold land would have been lower by Rs. 563.008 million and Rs. 560.764 million and surplus on revaluation of property, plant and equipment would have been lower by Rs. 555.098 million.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of leasehold land and building on leasehold land falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

**7.1.6** The forced sale value as per the latest revaluation report are as follows:

		2019	2018
	Note	Rupees	Rupees
Leasehold land		<b>625,047,500</b>	340,550,000
Building on leasehold land		<b>37,618,450</b>	34,461,200
		<b>662,665,950</b>	375,011,200

**7.1.7** The immoveable assets of the Group are placed as security against various financing facilities obtained from commercial banks as stated in notes 27, 29 and 33 respectively to these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

**7.1.8** The details of immovable assets (i.e land and building) of the Group as at June 30, 2019 and 2018 are as follows:

Location	Addresses	Usage	Covered Area (sq.ft )
Lahore	51-M, Quaid-E-Azam Industrial Estate, Kot Lakhpat	Installation Centre	24,130
Karachi	Plot no. 20-B & 20-C, Block No. 6, P.E.C.H.S. Ltd., Survey sheet no. 35-P/1.	Installation Centre	10,240

**7.2** The details of operating fixed assets disposed off during the year are as follows:

Description	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Loss / (gain) on disposals	Mode of disposal	Particulars of buyers	Location
----- (Rupees) -----								
<b>Aggregate amount of assets disposed off having written down value less than Rs. 5,000,000</b>	-	-	-	-	-	-	-	-
<b>Owned</b>								
Electrical equipment and devices	5,476,603	5,476,603	-	-	-	-	-	-
Computers and accessories	23,010,315	22,916,303	94,012	-	94,012	Various	Various	Karachi
Mobile phones	1,513,700	1,151,650	362,050	362,814	(764)	Various	Various	Karachi
Motor vehicles	4,577,954	4,026,287	551,667	5,217,000	(4,665,333)	Various	Various	Karachi
<b>2019</b>	<b>34,578,572</b>	<b>33,570,843</b>	<b>1,007,729</b>	<b>5,579,814</b>	<b>(4,572,085)</b>			
<b>2018</b>	<b>134,818,158</b>	<b>92,392,239</b>	<b>42,425,919</b>	<b>58,880,164</b>	<b>(16,454,245)</b>			

		2019	2018
	Note	Rupees	Rupees
<b>7.3 Capital work-in-progress</b>			
Opening balance		246,623,842	24,947,491
Additions during the year		50,888,577	261,014,678
Transferred under Scheme		-	21,429,358
Less: Transferred to operating fixed assets		14,069,650	60,767,685
Closing balance	7.3.1	283,442,769	246,623,842

**7.3.1.** Represents expenses incurred and advances made by the Group in respect of renovation of the building on leasehold land, procurement of computer equipment and software, office equipment, furniture and fixtures.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>8. INTANGIBLE ASSETS</b>			
Intangible assets	8.1	<b>2,022,415,526</b>	2,110,226,956
Intangible assets under development	8.2	<b>824,133,020</b>	546,022,997
		<b>2,846,548,546</b>	<b>2,656,249,953</b>

## 8.1 Intangible assets

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE		
	As at July 01, 2018	Additions / (disposals)	As at June 30, 2019	As at July 01, 2018	Charge for the year / (disposals) *	As at June 30, 2019	As at June 30, 2019	Amortisation rate %
	(Rupees)							
<b>Owned</b>								
Goodwill (notes 8.4 and 8.5)	874,148,027	-	874,148,027	-	-	-	874,148,027	-
Management rights	108,155,997	-	108,155,997	-	-	-	108,155,997	-
Customers related intangible assets	453,635,249	-	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets	289,021,582	-	289,021,582	-	-	-	289,021,582	-
Customer relationships	222,585,519	-	222,585,519	22,258,552	44,517,104	66,775,656	155,809,863	20
Internally generated computer softwares	25,840,000	-	25,840,000	25,840,000	-	25,840,000	-	13.33
Maps database	147,858,790	-	147,858,790	68,384,687	7,392,940	75,777,627	72,081,163	5
Software	370,945,136	14,923,910 (4,868,558)	381,000,488	265,480,105	50,825,296 (4,868,558)	311,436,843	69,563,645	20-33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
<b>2019</b>	<b>2,516,075,495</b>	<b>14,923,910 (4,868,558)</b>	<b>2,526,130,847</b>	<b>405,848,539</b>	<b>102,735,340 (4,868,558)</b>	<b>503,715,321</b>	<b>2,022,415,526</b>	

	COST		ACCUMULATED AMORTISATION / IMPAIRMENT			WRITTEN DOWN VALUE		
	As at July 01, 2017	Additions / (disposals) / acquired under business combination	As at June 30, 2018	As at July 01, 2017	Charge for the year / (disposals) / acquired under business combination	As at June 30, 2018	As at June 30, 2018	Amortisation rate %
	(Rupees)							
<b>Owned</b>								
Goodwill (notes 8 and 10.4)	493,042,630	381,105,397	874,148,027	-	-	-	874,148,027	-
Management rights	-	108,155,997	108,155,997	-	-	-	108,155,997	-
Customers related intangible assets	453,635,249	-	453,635,249	-	-	-	453,635,249	-
Marketing related intangible assets	289,021,582	-	289,021,582	-	-	-	289,021,582	-
Customer relationships	-	222,585,519	222,585,519	-	22,258,552	22,258,552	200,326,967	20
Internally generated computer softwares	25,840,000	-	25,840,000	25,840,000	-	25,840,000	-	13.33
Maps database	147,858,790	-	147,858,790	60,991,747	7,392,940	68,384,687	79,474,103	5
Software	325,883,507	29,765,776 (3,604,380) 18,900,233	370,945,136	213,495,624	44,996,182 6,986,299	265,480,105	105,465,031	20-33.33
PTA license	1,000,500	-	1,000,500	1,000,500	-	1,000,500	-	6.67
Decarta maps	22,884,695	-	22,884,695	22,884,695	-	22,884,695	-	20
<b>2018</b>	<b>1,759,166,953</b>	<b>741,612,689 (3,604,380) 18,900,233</b>	<b>2,516,075,495</b>	<b>324,212,566</b>	<b>74,647,674 6,986,299</b>	<b>405,848,539</b>	<b>2,110,226,956</b>	

\* Represents assets acquired under business combination.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

**8.2** Represents expenditure incurred for development of map database.

	Note	2019 Rupees	2018 Rupees
<b>8.3</b>	Amortisation charge for the year has been allocated as follows:		<b>(Restated)</b>
Cost of sales and services	42	<b>44,250,815</b>	46,165,989
Administrative expenses	44	<b>58,484,525</b>	28,483,685
		<b>102,735,340</b>	74,649,674

## **8.4 Impairment testing of goodwill, intangibles with indefinite lives and under development**

The Group has performed its annual impairment test on the following cash generating units as at June 30, 2019.

### **Tracking business**

Goodwill acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Group level (tracking business - excluding non-operating assets). Intangible assets with indefinite useful lives include customer and marketing related intangibles assets. The Group has performed its annual impairment test as at June 30, 2019.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 17.51 percent (2018: 18.9 percent). The growth rate used to extrapolate the cash flows beyond the five-year period is 4.1 percent (2018: 4.1 percent). As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 403,380,571/- and intangible assets with indefinite useful lives are allocated.

### **Real estate**

Goodwill acquired through business combination have been allocated and monitored at the Group level (i.e. Real Estate business and related services). The Group calculated the recoverable amount of its investment based on the fair value less costs to sell using observable market prices less incremental costs to sell the asset including valuation of investment property, as prescribed under "Impairment of Assets" (IAS-36), which was higher than the carrying value. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 59,328,763/- is allocated.

### **Insurance business**

Goodwill acquired through business combinations have been allocated and monitored at the Group level (insurance business). The Group calculated the recoverable amount of its investment based on the fair value less cost to sell using observable market prices less incremental cost to sell the assets, as prescribed under IAS-36, which was higher than the carrying value. As a result of this assessment, the management did not identify any impairment for cash generating unit to which provisional goodwill of Rs. 381,105,397/- and intangible assets with indefinite useful lives are allocated.

### **Other business**

Goodwill acquired through business combinations have been allocated and monitored at the Group level (other business i.e. security and maps / navigation services). The recoverable amount of security services

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2019

is determined based on value in use calculations, which was higher than the carrying value. The discount rate applied to cash flow projections is 19.72 percent (2018: 15.0 percent). The growth rate use to extrapolate the cash flows beyond the five-year period is 4.0 percent (2018: 4.1 percent). As a result of this assessment, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 30,333,296/- is allocated.

In addition, the group has carried out an impairment assessment for Maps/Navigation business (including intangible assets under development) based on the value-in-use calculations and the discount rate applied to the cashflow projections is 23.3 percent (2018: 19.2 percent) and the growth rate used to extrapolate the cashflows beyond the prior year period is 4.1 percent (2018: 6.0 percent). As a result of this assessment, the management did not identify any impairment in the carrying value of intangible assets under development of Rs. 824.133 million (2018: 546.023 million). "

### Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:

- **Discount rates**
- **Key business assumptions**

#### Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Group.

#### Key business assumptions

These assumptions are based on industry data for growth rates, management assess how the unit's position might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in vehicle tracking sales volume, greater focus on container tracking and development of new databases, applications and solutions, and expected increase in navigation business.

#### Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

- 8.5** During the year ended June 30, 2018, the Holding Company has further acquired 69.12 percent shareholding in TPL Insurance Limited under the terms and conditions of Sale and Purchase Agreement dated March 23, 2017 to support its tracking business with the insurance facilities for its customers. The acquisition accounting of assets acquired and liabilities assumed as required by IFRS 3 'Business Combination' was based on a provisional fair values and the same was used for computation of goodwill.

Under International Financial Reporting Standard 3, Business Combinations "(IFRS 3)" adjustments to these provisional values consequent to completion of the initial accounting of the acquisition is required to be incorporated in the financial statements with effect from the acquisition date, within a period of twelve months from the acquisition date. In this connection, during the year, the management carried out a detailed exercise for identification and valuation of intangible assets required to be separately recognized under IFRS 3 and to finalise the provisional fair values of assets acquired and liabilities assumed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

As allowed by IFRS 3, certain adjustments to these provisional balances have been made and have been accounted for as if these adjustments had been accounted for at the date of acquisition with a corresponding adjustment to goodwill. The adjustment due to change in provisional fair values of certain assets (i.e. receivable from Participant's Takaful Fund) and identified intangible assets (i.e. management rights and customer relationship) were valued separately from goodwill with a corresponding adjustment in prior year. Accordingly, the financial statements for the year 2018 have been restated to adjust such change in fair value of assets and intangible assets in accordance with the requirement of IAS 8 Accounting Policies, Changes in Accounting Estimate and Errors. The effect of the restatement on the financial statements is summarized below. There is no effect on this matter on the financial statements prior to 2018.

	As reported at June, 30 2018 Rupees	Adjustments Rupees	Restated as at June 30, 2018 Rupees
<b>Statement of financial position:</b>			
Intangible assets			
- goodwill	1,154,014,140	(279,866,113)	874,148,027
- customer relationship (net of amortisation)	-	200,326,967	200,326,967
- management rights (fair value)	-	108,155,997	108,155,997
	<u>1,154,014,140</u>	<u>28,616,851</u>	<u>1,182,630,991</u>
Other receivables			
- receivable from Participant's Takaful Fund (PTF) [net of unwinding effect]	227,580,400	(47,233,686)	180,346,714
Taxation - net	161,761,130	529,825	162,290,955
Deferred tax asset - net	113,639,834	<u>12,129,507</u> <u>(5,957,503)</u>	125,769,341
Revenue reserve	565,180,315	(5,570,861)	559,609,454
Non-controlling interest	4,220,902,795	<u>(386,642)</u> <u>(5,957,503)</u>	4,220,516,153
<b>Statement of profit or loss and other comprehensive income:</b>			
Administrative expenses			
- amortisation charge on intangible assets	6,225,133	22,258,552	28,483,685
Other income			
- unwinding of receivable from PTF	-	(3,641,717)	(3,641,717)
Taxation			
- current tax charge / (reversal)	76,737,115	(529,825)	76,207,289
- deferred tax charge / (reversal)	(5,055,763)	<u>(12,129,507)</u> <u>5,957,503</u>	(17,185,270)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>9. INVESTMENT PROPERTIES</b>			
Investment property - completed	9.1	<b>5,905,204,107</b>	5,298,404,608
Investment property - under construction	9.2	<b>4,034,488</b>	24,273,665
		<b>5,909,238,595</b>	5,322,678,273

## 9.1 The movement in investment property during the year is as follows:

As at July 1		<b>5,298,404,608</b>	4,340,262,571
Add: Additions to investment property		<b>13,916,864</b>	16,868,937
Less: Transferred to property, plant and equipment (share of owner occupied property)		-	3,373,787
		<b>5,312,321,472</b>	4,353,757,721
Add: Remeasurement adjustment	48	<b>592,882,635</b>	944,646,887
As at June 30		<b>5,905,204,107</b>	5,298,404,608

**9.1.1** Investment property comprises of leasehold land having area of 2,914 square yards and building thereon, situated at 66/3-2, Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi, hereinafter referred to as Centrepont Project.

**9.1.2** An independent valuation of Centrepont Project was carried out by an independent professional valuer on June 30, 2019 and the fair value of Rs. 6,846 million (2018: Rs. 6,165 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment for the year of Rs. 592.883 million (2018: Rs. 944.646 million) [excluding the impact related to owner occupied property of Rs. 74.110 million (2018: Rs. 236.161 million)] property is recognised in the profit or loss. The fair value of investment property fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

**9.1.3** Forced sale value of the investment property is Rs. 6,514 million (2018: Rs. 5,911 million).

**9.2** Represents expenses incurred on various projects of the Group related to the construction of investment property.

		2019	2018
	Note	Rupees	Rupees
<b>10. DEVELOPMENT PROPERTIES</b>			
Land		<b>801,225,879</b>	801,225,879
Design and consultancy		<b>129,251,534</b>	120,730,826
Project management and ancillary costs		<b>280,391,870</b>	113,671,817
Other project costs		<b>54,273,687</b>	54,518,898
	10.1	<b>1,265,142,970</b>	1,090,147,420

**10.1** Represents Group project under construction at Plot No 22/7, Street CL-9, Civil Lines Quarter, Karachi and currently in the initial stages for approval of design followed by commencement of construction on receipt of approval.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>11. LONG-TERM INVESTMENTS</b>			
<b>Investment in associated company – at equity method</b>			
Trakker Middle East LLC (TME)	11.2	<b>99,847,459</b>	-

- 11.1** The Company holds 1,644 (2018: 1,644) ordinary shares of AED 1,000 each, representing 29 percent (2018: 29 percent) of the share capital as of the reporting date. The book value per share amounts to AED 168.79 (2018: AED 764) equivalent to Rs. 7,443 (2018: Rs. 25,284) based on the latest available un-audited financial statements for the period ended June 30, 2019.

TME is a limited liability company registered in Abu Dhabi, United Arab Emirates. The registered office of the Company is at P.O. Box 52331, Abu Dhabi, United Arab Emirates. The principal activities of TME are the selling, marketing and distribution of products and services in the field of wireless, fleet management, tracking and telemetry services.

The name of Chief Executive is Asim Syed and name/addresses of beneficial owners are as follows:

Name	Addresses
Al Jaber Group LLC	P.O. Box #: 2175, Abu Dhabi Petroleum Service Area Plot No. 1 & 1A.
Jamal Hohd Matar Al Hai	P.O. Box #: 2116, Dubai UAE

The auditors of TME has expressed an unmodified opinion on the latest available financial statements. During the year, the Group has changed its intention to dispose off its investment in TME and has decided to hold it as a strategic investment. Accordingly, the same has been reclassified from current assets to non-current assets.

Investment in associated companies have been made in accordance with the requirement of Companies Act, 2017.

		2019	2018
	Note	Rupees	Rupees
<b>11.2 Movement of investment in an associated company</b>			
Balance at the beginning of the year		<b>111,339,232</b>	131,666,479
Share of loss for the current year (un-audited)		<b>(11,491,773)</b>	(20,327,247)
Balance at the end of the year		<b>99,847,459</b>	111,339,232

- 11.3** The summarised financial information of an associate based on the financial statements for the year ended June 30, 2019 and 2018, is as follows:

		2019	2018
	Note	Rupees	Rupees
Total assets		<b>329,134,632</b>	298,419,128
Total liabilities		<b>286,929,601</b>	155,056,955
Revenues		<b>259,065,222</b>	221,195,938
Loss after tax		<b>39,626,804</b>	73,922,555

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>12. LONG-TERM LOANS – secured, considered good</b>			
Executives	12.1 & 12.2	461,530	474,427
Employees		1,912,558	889,012
	12.3	2,374,088	1,363,439
Less: Current portion	17	1,736,652	926,862
		<b>637,436</b>	<b>436,577</b>

## 12.1 Reconciliation of the carrying amount of loans to executives

Opening balance	474,427	487,098
Disbursements	500,000	200,000
Less: Repayments / adjustments	512,897	212,671
Balance as on June 30	<b>461,530</b>	<b>474,427</b>

**12.2** The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs.0.665 million (2018: Rs. 2.184 million).

**12.3** The loans are provided to employees of the Holding Company for the purchase of furniture and fixtures, renovation of house and marriage of self / children in accordance with the terms of employment and carrying mark-up at the rate of 5 percent (2018: 5 percent) per annum. Further, it also includes loans provided on interest free basis amounting to Rs. 1.168 million (2018: Rs. 0.712 million). All loans are repayable over a period of two years in equal monthly installments and are secured against salaries and provident fund balances of the employees.

		2019	2018
	Note	Rupees	Rupees
<b>13. LONG-TERM DEPOSITS</b>			
Security deposits – leased and ijarah assets		47,513,623	61,537,417
Less: Current portion	18	19,669,967	21,935,962
		<b>27,843,656</b>	<b>39,601,455</b>
Utilities		177,450	317,450
Rent deposits		4,012,756	3,662,756
Cash margin against guarantees	13.1	17,853,482	26,049,352
Others		5,000,000	286,919
	13.2	<b>54,887,344</b>	<b>69,917,932</b>

**13.1** Represents cash margin on guarantee issued by a commercial bank on behalf of the Group.

**13.2** These are non-interest bearing and generally on a term of more than a year.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>14. DEFERRED TAX ASSET - NET</b>			
Deferred tax asset on deductible temporary differences:			
- unused tax losses		<b>167,438,325</b>	154,170,834
- surplus on revaluation of fixed assets		<b>5,666,341</b>	4,249,526
- liabilities against assets subject to finance lease - net		<b>21,192,369</b>	4,058,945
- allowance for expected credit losses		<b>28,815,562</b>	16,320,628
- liabilities against insurance contracts		-	4,041,493
- unrealised loss on available for sale investments		<b>9,490,902</b>	15,776,474
- deferred income		-	733,334
- other receivables		<b>12,362,607</b>	13,697,769
- provision for gratuity		-	4,419,877
		<b>244,966,106</b>	217,468,880
Deferred tax liability on taxable temporary differences:			
- accelerated tax depreciation on owned and leased assets		<b>(74,877,011)</b>	(56,921,026)
- intangible assets		<b>(4,107,521)</b>	(7,211,027)
- operating assets		<b>(495,549)</b>	-
- advance against rent from tenants		<b>(17,188,200)</b>	(27,567,486)
		<b>(96,668,281)</b>	(91,699,539)
		<b>148,297,825</b>	125,769,341
<b>14.1</b>	The movement in deferred tax assets is as follows:		
- charge for deferred tax recognised due to adoption of IFRS 9	5.1.1	<b>(4,318,272)</b>	-
- charge / (reversal) to other comprehensive income in respect of surplus on revaluation of property, plant and equipment	26	<b>2,085,910</b>	-
- transferred under the Scheme		-	(25,343,681)
- transfer to unappropriated on account of incremental depreciation for the year	26	<b>315,860</b>	211,577
- charge / (reversal) (net) to profit or loss	48	<b>(20,611,982)</b>	(17,185,270)
		<b>(22,528,484)</b>	(42,317,374)
<b>15. STOCK-IN-TRADE</b>			
Tracking devices	15.1	<b>255,515,852</b>	316,069,079
Spare parts	15.2	<b>10,823,805</b>	9,828,416
Tools		<b>1,070,706</b>	794,272
		<b>267,410,363</b>	326,691,767
<b>15.1</b>	Includes stock of Rs. 35.235 million (2018: Rs. 42.731 million) held with third parties on account of stock given for demo and repair purposes. Further, it also includes stock of Rs. 1.587 million (2018: Rs. 79.956 million) held with third parties on account of on-site container tracking installations.		
<b>15.2</b>	Represents bonnet locks, window motors etc. which are held for sale.		

FOR THE YEAR ENDED JUNE 30, 2019

**16.1** Represents amount receivable from various customers on account of sale and installation of tracking devices and vehicle tracking services provided by the Holding Company. These are unsecured, interest free and generally on 30 to 60 days terms.

**16.2** The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

**16.3** The ageing analysis of trade debts as of June 30, 2019 and 2018 are as follows:

		2019	2018
	Note	Rupees	Rupees
<b>16.4 Allowance for expected credit losses</b>			
Opening balance		30,997,873	31,218,010
Adjustment due to adoption of IFRS 9	5.11	43,618,479	-
		<b>74,616,352</b>	31,218,010
Charge for the year	44	25,678,986	14,979,058
Less: Written off during the year		38,163,931	15,199,195
Closing balance		<b>62,131,407</b>	30,997,873

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>17. LOANS AND ADVANCES</b>			
<b>Loans – secured, considered good</b>			
Current portion of long-term loans	12	1,736,652	926,862
Others	17.1	25,000,000	25,000,000
		<b>26,736,652</b>	<b>25,926,862</b>
<b>Advances – unsecured, considered good</b>			
- suppliers	17.2 & 17.4	329,741,362	127,407,961
- advance against issue of shares	17.3	12,902,868	10,000,000
- employees		5,794,179	3,222,347
- others		10,000,000	6,280,148
		<b>358,438,409</b>	<b>146,910,456</b>
		<b>385,175,061</b>	<b>172,837,318</b>

**17.1** Represents loan given to Pearl Securities Limited by TPL Insurance Limited and carries mark up at the rate of 8% per annum with maturity latest by July 10, 2019.

**17.2** These are non-interest bearing and generally on an average term of 1 to 6 months.

		2019	2018
	Note	Rupees	Rupees
<b>17.3 Advance against issue of shares</b>			
TPL E-Ventures (Private) Limited (a related party)	17.3.1	10,000,000	10,000,000
TPL Logistics (Private) Limited (a related party)	17.3.1	2,902,868	-
		<b>12,902,868</b>	<b>10,000,000</b>

**17.3.1** Represents advance paid to TPL E-Ventures (Private) Limited (a related party) for the purchase of shares.

**17.3.2** The Memorandum of Understanding dated June 30, 2019 has been signed between the Holding Company, TPL Logistics (Private) Limited (TPLL) and TPL Trakker Limited (TTL) [related parties], whereby Rs.2.750 million due from TTL as of June 30, 2019 is now due from TPLL. The said amount will be adjustable against future issue of shares to the Holding Company by TPLL as per the agreed terms. In this regard, the Holding Company has additionally paid Rs.0.152 million to TPLL as of reporting date.

**17.4** The details of advances paid to the following foreign companies are as follows:

Name of the Company and jurisdiction	Name and address of investee company	2019 Rupees	2018 Rupees	Terms, conditions and period
Sportics	Lode de Boningestraat 19, 8560 Wevelgem, Belgium	99,000	-	Purchase of goods to be settled within 90 days
FlyAudio Corp	11 Nanxiang 3rd Road Luogang District Guangzhou, 510700 China	356,210	-	Purchase of goods to be settled within 90 days
Traclogis Co. Ltd.	7/F Block ,80 Bldg Huanan Industrial Park Liaobu Town Dongguan	790,010	790,010	Purchase of goods to be settled within 90 days
Howen Technologies Co. Ltd.	No.201, 2/F,B Zone, Hivac Building, Langshan 2nd Rd, North Zone of Technology Park, Nan Shan, Shenzhen, China	2,764,716	-	Purchase of goods to be settled within 90 days
Digicore Technologies (Pty) Ltd	37, Hillclimb Road, Westmead, Pinetown, KZN 3610, South Africa	55,415	8,684,350	Purchase of goods to be settled within 90 days
SPC - Orbcomm	395 W Passaic Street, Suite 325, Rochelle Park, NJ, United States	-	14,174,005	Purchase of goods to be settled within 90 days
		<b>4,065,351</b>	<b>23,648,365</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>18. TRADE DEPOSITS AND PREPAYMENTS</b>			
<b>Trade deposits</b>			
- security deposits		12,904,140	12,215,220
- suppliers and contractors		7,130,281	18,772,920
- hospital enlistment		5,290,000	5,290,000
- LC margin and cash margin against guarantee		1,262,546	3,406,270
- current portion of leased and ijarah deposits	13	19,669,967	21,935,962
- others		20,756,743	6,301,534
	18.1	67,013,677	67,921,906
<b>Prepayments</b>			
- monitoring charges		177,752,086	197,337,537
- insurance		15,365,315	10,336,778
- rent		35,885,384	24,964,737
- maintenance		11,118,451	10,210,994
- reinsurance		107,773,472	35,440,711
- others		12,816,526	6,346,162
		360,711,234	284,636,919
		427,724,911	352,558,825

18.1 These are non-interest bearing and generally on an average term of 1 to 6 months.

		2019	2018
	Note	Rupees	Rupees
<b>19. INTEREST ACCRUED - unsecured, considered good</b>			
<b>Related parties</b>			
On current account with:			
- Trakker Middle East LLC.		3,739,729	2,723,847
- TPL Logistic (Private) Limited		-	395,666
- TPL Tech Pakistan (Private) Limited		1,225,292	-
- Trakker Direct Finance (Private) Limited		967,884	863,117
- TRG Pakistan Limited		5,201,813	4,258,495
- TPL E-Ventures (Private) Limited		617,237	7,900
		11,751,955	8,249,025
<b>Other than related parties</b>			
On investments:			
- Pakistan Investment Bonds (PIBs)		3,275,272	3,378,596
- Treasury bills		3,109,772	3,149,863
- Term deposit receipts		1,178,082	7,083,835
- Investment income		1,119,250	2,052,000
		8,682,376	15,664,294
		20,434,331	23,913,319

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>20. OTHER RECEIVABLES – unsecured, considered good</b>			<b>(Restated)</b>
Earnest money		9,330,919	15,220,947
Claims receivable from insurance companies		3,469,853	2,570,201
Insurance / reinsurance receivables		339,226,574	311,001,585
Reinsurance recoveries against outstanding claims		20,072,985	68,103,437
Salvage recoveries accrued		45,981,624	57,756,797
Receivable from Participant's Takaful Fund		360,061,519	180,346,714
Others		9,621,846	2,241,257
	20.1	<b>787,765,320</b>	<b>637,240,938</b>

**20.1** These are non-interest bearing receivables which are neither past due nor impaired, and generally on an average term of 1 to 6 months.

		2019	2018
	Note	Rupees	Rupees
<b>21. SHORT-TERM INVESTMENTS</b>			
Trakker Middle East LLC (TME)	11	-	111,339,232
<b>Held-to-maturity</b>			
Pakistan Investment Bonds (PIBs)	21.1	144,200,512	154,215,100
Treasury bills	21.2	115,265,928	73,968,126
Term deposit receipts (TDRs)	21.3	85,000,000	685,000,000
		<b>344,466,440</b>	<b>913,183,226</b>
<b>Available for sale</b>			
Sukuk	21.4	30,000,000	-
Term finance certificate	21.4	100,000,000	-
		<b>130,000,000</b>	<b>-</b>
<b>Held-for-trading</b>			
Listed equity	21.5	1,018,460	1,256,725
Open ended mutual funds	21.6	81,630,277	336,902,224
		<b>557,115,177</b>	<b>1,362,681,407</b>

**21.1** Includes 3, 5 and 10 years PIBs having face value of Rs. 125.5 million (2018: Rs.155 million) carrying mark-up ranging from 7.75 percent to 12 percent (2018: 7 percent to 12 percent) per annum and will mature between September 03, 2019 to July 12, 2023. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000.

**21.2** Represents T-Bills having face value of Rs. 116 million (2018: Rs. 73.88 million) for the period of 3 months. It carries yield of 7 to 10.8 percent per annum.

**21.3** Represents TDRs having face value of Rs. 85 million that carries mark-up at the rate ranging from 5.9 percent to 9.25 percent per annum.

**21.4** These are issued by Dubai Islamic Bank Pakistan Limited, Habib Bank Limited & JS Bank Limited and carry mark-up of 3 months KIBOR plus 1.60% to KIBOR plus 2.25% per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

**21.5** The Group has the following instruments in listed equities held for trading:

2019	2018		2019	2018
Number of Shares			Rupees	
<b>16,000</b>	16,000	Summit Bank Limited	<b>10,400</b>	34,400
<b>7,731</b>	7,731	Bank of Punjab Limited	<b>70,738</b>	93,313
<b>10,000</b>	10,000	Hub Power Company Limited	<b>787,500</b>	921,600
<b>15,195</b>	15,195	Bank of Khyber	<b>149,822</b>	207,412
			<b>1,018,460</b>	1,256,725

**21.6** The Group has the following instruments in open ended mutual funds held for trading:

	No. of Units		Cost		Carrying value	
	2019	2018	2019	2018	2019	2018
<b>Statutory Fund</b>						
ABL Stock Fund	<b>113,566</b>	113,566	<b>1,667,861</b>	1,667,861	<b>1,414,000</b>	1,595,555
NAFA Stock Fund	<b>121,024</b>	121,024	<b>1,905,561</b>	1,905,561	<b>1,452,000</b>	1,769,764
Atlas Stock Market Fund	<b>2,902</b>	2,902	<b>1,700,000</b>	1,700,000	<b>1,582,000</b>	1,801,362
AKD Islamic Income Fund	<b>995</b>	995	<b>50,000</b>	50,000	<b>54,000</b>	50,532
AKD Islamic Stock Fund	<b>945</b>	945	<b>50,000</b>	50,000	<b>33,000</b>	44,430
HBL Energy Fund	<b>124,146</b>	124,146	<b>1,867,006</b>	1,867,006	<b>1,378,000</b>	1,823,056
MCB Pakistan Stock						
Market Fund	<b>18,403</b>	18,403	<b>1,811,293</b>	1,811,293	<b>1,460,000</b>	1,744,775
Lakson Equity Fund	-	-	-	-	<b>659,000</b>	-
Alfalah GHP Income Fund	<b>5,894</b>	5,894	<b>894,358</b>	894,358	-	789,627
Meezan Islamic Fund	<b>1,862</b>	1,862	<b>124,137</b>	124,137	<b>128,000</b>	117,898
Meezan Islamic Income Fund	<b>6,115</b>	6,115	<b>324,096</b>	324,096	<b>350,000</b>	327,644
AKD Aggressive Income	<b>542,644</b>	542,644	<b>28,046,960</b>	28,046,960	-	29,056,767
AKD Opportunity	<b>996,410</b>	996,410	<b>95,312,797</b>	95,312,797	-	82,558,450
Askari High Yield Scheme	<b>491,162</b>	491,162	<b>50,738,889</b>	50,738,889	-	52,493,517
Alfalah GHP Stock Fund	<b>436,338</b>	436,338	<b>68,825,590</b>	68,825,590	<b>653,000</b>	58,455,301
Faysal Asset Allocation	<b>658,903</b>	658,903	<b>22,267,400</b>	44,970,103	<b>13,888,984</b>	35,488,495
Faysal Money Market	<b>244,141</b>	244,141	<b>25,000,000</b>	25,000,000	-	26,027,832
HBL Cash Fund	<b>260,587</b>	260,587	<b>26,416,396</b>	26,416,396	-	27,612,672
UBL Stock Advantage	<b>221,056</b>	221,056	<b>16,957,212</b>	16,957,212	<b>12,803,976</b>	15,144,547
NBP Money Market Fund						
(Formerly: NAFA Money						
Market Fund)	<b>2,590,225</b>	-	<b>25,562,157</b>	-	<b>25,562,157</b>	-
Pak Oman Advantage						
Islamic Income Fund	<b>386,613</b>		<b>20,212,160</b>	-	<b>20,212,160</b>	-
			<b>389,733,873</b>	366,662,259	<b>81,630,277</b>	336,902,224

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>22. DUE FROM RELATED PARTIES – unsecured, considered good</b>			
<b>Ultimate parent company</b>			
- TPL Holdings (Private) Limited	22.1	464,932	74,100
<b>Others</b>			
- Trakker Direct Finance (Private) Limited		802,100	790,100
- TPL E-Ventures (Private) Limited		27,714,099	166,740
- TPL Logistic (Private) Limited		-	801,827
- Trakker Middle East (LLC)		21,839,006	3,038,128
- TPL Tech Pakistan (Private) Limited		21,780,891	-
- TRG Pakistan Limited		7,616,232	6,835,653
	22.2	79,752,328	11,632,448
		80,217,260	11,706,548
<b>22.1</b>	Represents loan financing facility having a limit of Rs. 400 million, carrying mark-up at the variable rate of 3 months KIBOR and is repayable on or before August 31, 2021. As of reporting date, Rs. 399.535 million remained unutilised.		
<b>22.2</b>	Represents current account balances carrying mark-up at the variable rate of 3 months to 6 months KIBOR plus 3 percent (2018: 3 months to 6 months KIBOR plus 3 percent) per annum and are repayable on demand.		
<b>22.3</b>	The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:		
		2019	2018
	Note	Rupees	Rupees
- TPL Holdings (Private) Limited		464,932	74,100
- Trakker Direct Finance (Private) Limited		802,100	790,100
- TPL E-Ventures (Private) Limited		27,680,750	166,740
- TPL Logistic (Private) Limited		1,951,600	801,827
- Trakker Middle East (LLC)		21,839,006	3,038,128
- TPL Tech Pakistan (Private) Limited		21,780,891	6,835,653
- TRG Pakistan Limited		21,780,891	-
<b>23. TAXATION - NET</b>			(Restated)
Opening balance		162,290,955	181,497,171
Less: Adjustment due to adoption of IFRS 9		10,185,400	-
Less: Provision for current and prior taxation		119,342,131	76,755,089
Income tax paid and deducted at source		147,044,208	57,548,874
Closing balance		179,807,632	162,290,955
<b>24. CASH AND BANK BALANCES</b>			
Cash in hand		1,423,702	1,115,363
At banks in local currency:			
- current accounts	24.1	170,765,924	360,249,717
- saving accounts	24.2 & 24.3	600,159,819	591,084,708
		770,925,742	951,334,425
		772,349,444	952,449,788



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

- 24.1** These include Rs.60 million deposited with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000.
- 24.2** These accounts carry mark-up at a rate between 5 percent to 10.5 percent (2018: 3.75 percent to 5.8 percent) per annum.
- 24.3** The above balances include Rs. 50 million earmarked for Window Takaful Operations, as required under Takaful Rules, 2012.

## 25. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		2019	2018
Number of shares		Note	Rupees	Rupees
30,009,900	30,009,900	Ordinary shares of Rs.10/- each	300,099,000	300,099,000
30,000,000	-	- issued for cash	300,000,000	-
60,009,900	30,009,900	- opening balance	600,099,000	300,099,000
		- issued during the year		
		- issued for consideration other than cash		
207,287,863	187,239,063	- opening balance	2,072,878,630	1,872,390,630
-	20,048,800	- issued during the year	-	200,488,000
207,287,863	207,287,863		2,072,878,630	2,072,878,630
267,297,763	237,297,763		2,672,977,630	2,372,977,630

- 25.1** During the year ended June 30, 2009, the shareholders of the Holding Company, namely Ali Bhai Group (AB), Ali Jameel Group (AJ) and Digicore International (Pty) Limited (DL) entered into a Scheme of Arrangement, in respect of transfer of entire operations and exchange of assets of Trakker (Private) Limited into a new company in consideration for ordinary shares of the Holding Company.
- 25.2** Represents ordinary shares allotted under the Scheme as disclosed in note 1.6 to these consolidated financial statements.
- 25.3** These are ordinary shares carry one vote per share and right to dividend.

2019	2018
Rupees	Rupees
218,875,035	218,875,035
13,293,853	14,023,683
232,168,888	232,898,718
322,350,000	-
7,192,792	-
329,542,792	-
(773,312)	(729,576)
(5,982,201)	(4,108,122)
315,860	211,577
(5,666,341)	(3,896,545)
555,272,027	228,272,597

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>27. LONG-TERM FINANCING – secured</b>			
Project finance	27.1	<b>44,642,833</b>	79,800,000
Term finance I	27.2	<b>400,000,000</b>	1,187,703,908
Term finance II	27.3	<b>2,108,762,771</b>	2,145,651,829
Diminishing musharika I	27.4	<b>187,249,222</b>	242,249,222
Diminishing musharika II	27.5	<b>58,615,245</b>	-
Sukuk financing	27.6	<b>600,000,000</b>	600,000,000
		<b>3,399,270,071</b>	4,255,404,959
Less: Current portion shown under current liabilities	37	<b>926,360,046</b>	968,277,679
		<b>2,472,910,025</b>	3,287,127,280

**27.1** TTL had obtained a project financing facility of US Dollars 3.5 million (equivalent to Rs.367.663 million) for a period of five years from Overseas Private Investment Corporation (a foreign financial institution) through an agreement dated November 27, 2013 to be read with amendment dated March 31, 2014 to the original loan agreement. The said facility amount is repayable in US Dollars in sixteen equal quarterly installments commencing from September 15, 2014 and ending no later than June 15, 2018 i.e. maturity date. It carries mark up at the rate of 5 year United States Treasury Rate plus 3.75 percent (i.e. 5.12 percent) per annum payable quarterly on 15th of each March, June, September and December after the receipt of first disbursement date i.e. December 24, 2013. The facility is secured against pledge of 35 million ordinary shares owned by TPLH in the Holding Company, guarantees of TPLH of US Dollars 2.70 million and charge on saving account. The Holding Company shall be liable to pay maintenance fee of US Dollars 7,500 per annum in arrears. Under the aforesaid agreement there are certain restrictive payments covenants. As of the reporting date, the said facility is fully utilised and overdue outstanding balances was repaid subsequent to the year end in full.

**27.2** The Holding Company had issued privately placed Term Finance Certificates (TFCs) aggregating to Rs.1,200 million having face value of Rs.100,000/- each issued by the Holding Company to various parties for a period of 2 years for the acquisition of further shares of TIL. These carry markup at the rate of 3 months KIBOR plus 1.5 percent per annum and are redeemable in 3 equal installments at the end of 12, 18 and 24 month and are secured by way of pledge of 26.868 million (2018: 65.256 million) ordinary shares of TIL held by the Holding Company. The Holding Company is liable to pay participation fee at the average rate of 0.5 percent of investment amount to the investors and annual trustee fee of Rs.1 million to trustee under the terms of the contract. The Holding Company had incurred transaction cost of Rs. 19.876 million to issue TFCs.

**27.3** TPLP (the subsidiary company) entered into an agreement with a commercial bank, dated March 14, 2018, for the issuance of Term Finance Certificates (TFCs) of Rs. 3,500 million having face value of Rs. 5,000/- each. Out of the total proposed issuance, the TFCs issued, during the year, and TFCs proposed to be issued, are detailed as follows:

- sum equal to Rs. 2,200 million as a first tranche (Series A TFC Issue) comprising of 440,000 TFCs, issued during the year for the purpose of prepaying the outstanding musharaka facility in the amount of Rs. 1,796 million availed by the TPLP; and for financing construction project of HKC. The amount received against issuance of Series A TFCs is repayable in semi-annual installments for a period of 10 years at the rate of 6 months KIBOR plus 1.25 percent per annum. This facility has been fully drawn during last year and has been secured against the following:
- First pari pasu charge on present and future fixed assets (plant, machinery, fixtures and fittings, etc.)
- First pari pasu charge over land and building with 25 percent margin.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

- Assignment over rental agreements.
- sum equal to Rs. 1,300 million as a second tranche (Series B TFC Issue), proposed to be issued for the purpose of making an equity investment upcoming new project/development.

**27.4** CMS, (the subsidiary company) has obtained a musharika finance facility aggregating Rs. 275 million (2018: Rs. 275 million) from a bank for a period of upto 6.3 years. The loan carries markup at the rate of 6 months KIBOR plus 2 percent (2018: 6 months KIBOR Plus 2 percent) per annum payable semi-annually in arrears and is repayable in 10 equal semi-annual installments of Rs. 27.5 million each latest by September 16, 2022. The first installment will become due after 15 months i.e. on March 16, 2018, from the date of first disbursement date i.e. December 20, 2016. This facility is secured against parri passu charge on present and future plant and machinery, assignment over maintenance agreements, corporate guarantee of TPLP (the subsidiary Company), personal guarantee of a director and equitable mortgage over land and building of TPLP (the subsidiary Company).

**27.5** During the year, TMPL (the subsidiary company) has obtained diminishing musharaka facility to finance the purchase of computer servers and related accessories aggregating to Rs 58.615 million from an islamic bank for a period of 4 years and carries mark-up at the rate of 1 month KIBOR plus 2 percent per annum. The musharaka units are to be purchased during the period of 4 years in 48 equal monthly instalments latest by January 2023. The facility is secured by exclusive charge over the diminishing musharaka assets, first charge over all present and future current and fixed assets of TMPL and corporate guarantee of TPL Corp Limited (the parent Company).

**27.6** TTL had issued Sukuk certificates of Rs. 600 million divided into 600 certificates of Rs. 1 million each for a period of 5 years under an agreement dated April 08, 2016 to be read with amendment agreement for Green Shoe Option dated May 08, 2016. The said certificates are redeemable in 4 equal semi-annual installments starting from 14th quarter (i.e. October 2019) and ending no later than April 2021 i.e. redemption date. The rate for rental payment is 1 year KIBOR plus 3 percent (2018: 1 year KIBOR plus 3 percent) per annum payable at the end of each April, July, October and January, after the date of agreement. These certificates are secured against pledge of 55 million (2018: Rs. 55 million) ordinary shares of TPLP, charge by way of hypothecation of Rs. 750 million (2018: Rs. 750 million) (inclusive of 20% margin) over the hypothecated assets in favour of the trustee and a ranking charge ranking subordinate and subservient to the charge in favour of the existing creditors.

## 28. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

		2019		2018	
		Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
Note		----- (Rupees) -----			
Within one year		29,677,248	20,932,496	3,407,198	3,407,198
After one year but not more than five years		59,862,052	52,145,571	506,251	506,251
Total minimum lease payments		89,539,300	73,078,067	3,913,449	3,913,449
Less: Finance charges		16,461,233	-	90,014	90,014
Present value of minimum lease payments	28.1	73,078,067	73,078,067	3,823,435	3,823,435
Less: Current portion shown under current liabilities	37	20,932,496	20,932,496	3,319,419	3,319,419
		52,145,571	52,145,571	504,016	504,016

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**28.1** Represents obligation in respect of assets acquired under finance lease arrangements from various financial institutions. Rentals are payable in monthly installments. Repairs and insurance costs are to be borne by lessee. Financing rate ranging from 15.84 percent to 18.13 percent (2018: 10.48 percent to 12.07 percent) per annum has been used as discounting factor. Overdue rental payments are subject to additional charge upto 0.1 percent (2018: 0.1 percent) per day. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the lease period.

		2019	2018
	Note	Rupees	Rupees
<b>29. LONG-TERM LOANS</b>			
Term finance I	29.1	12,500,000	23,000,000
Term finance II	29.2	58,333,333	100,000,000
Term finance III	29.3	15,277,777	30,555,555
Term finance IV	29.4	32,500,000	52,600,000
Term finance V	29.5	62,857,143	139,231,764
Term finance VI	29.6	-	200,000,000
Term finance VII	29.7	-	17,500,000
Term finance VIII	29.8	229,166,667	-
		<b>410,634,920</b>	562,887,319
Less: Current portion shown under current liabilities	37	<b>261,746,030</b>	254,753,899
		<b>148,888,890</b>	308,133,420

**29.1** TTL has obtained a term finance facility of Rs. 37.5 million for a period of three years from a commercial bank through an agreement dated January, 26 2017. The loan is repayable in 12 equal quarterly installments of Rs. 3.125 million each. The mark-up on the said facility is 3 months KIBOR plus 2.1 percent (2017: 3 months KIBOR plus 2.1 percent) per annum. The facility is secured against first pari passu charge over current assets to the tune of Rs. 120 million (2018: Rs. 120 million), first charge of an existing properties collateral to the extent of Rs. 216 million (2018: Rs. 216 million) and personal gurantee of all directors.

**29.2** During the year, TTL (a subsidiary company), has obtained a term finance facility of Rs. 100 million for a period of three years from a commercial bank through an agreement dated November 27, 2017. The loan is repayable in equal quaterly installments of Rs. 8.3 million each from the date of disbursement. The mark-up on the said facility is 3 months KIBOR plus 2.1 percent per annum. The facility would be secured against first pari passu charge over the TTL stock and book debts to the extent of Rs. 144 million with 25 percent margin duly insured in bank's favor covering all risk.

**29.3** TTL has obtained a term finance of Rs. 50 million for a period of 3 years from a commercial bank through an agreement dated March 13, 2017. The loan is repayable in 36 equal monthly installments of Rs. 1.8 million each. It carries mark-up at the rate of 1 month KIBOR plus 3 percent (2018: 1 month KIBOR plus 3 percent) per annum and is secured ranking charge by way of hypothecation charge over Holding Company's all present and future books debts and receivables to the extent of Rs. 70 million (2018 Rs. 70 million).

**29.4** The Holding Company has obtained a term finance facility of Rs. 65 million for a period of three from a commercial bank through an agreement dated March 02, 2017. The loan is repayable in 36 equal installments of Rs. 1.8 million latest by February 28, 2018. It carries mark-up at the rate of 1 month KIBOR plus 3 percent per annum and is secured against first parri passu hypothecation charge over the Holding Company's book debts of Rs. 100 million, first parri passu hypothecation charge over the fixed assets of the Holding Company of Rs. 70 million and pledge of the shares of TIL and TPLP (related parties), first exclusive charge over shares of Rs. 294 million duly registre with 50 percent margin.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

- 29.5** TTL has obtained a term finance facility of Rs. 200 million for a period of three years from a commercial bank through an agreement dated May 09, 2017. The loan is repayable in 36 equal monthly installments of Rs. 5.556 million each. The mark-up on the said facility is 1 month KIBOR plus 1.75 percent (2018: 1 month KIBOR plus 2.5 percent) per annum. The facility is secured against specific charge of Rs 300 million over tracking devices owned by the Holding Company and assignment of receivables from customers and personal guarantee of all directors of the Holding Company.
- 29.6** During the year, the TTL has repaid the outstanding balance of term finance facility obtained from a commercial bank in last years under an agreement dated June 29, 2017. It was carrying mark-up at the rate of 3 months KIBOR plus 4 percent (2018: 3 months KIBOR plus 4 percent) per annum and was secured against first pari passu charge of Rs. 267 million over a property located at Shaheed-e-Millat Expressway, personal guarantee of Rs. 267 million from a director and cross corporate guarantee of Rs. 267 million from TPLP (a related party). The charge over a property has been released, however no objection certificate for the same is yet to be issued.
- 29.7** During the year, the TTL has repaid the outstanding balance of term finance facility obtained from a commercial bank in last years under an agreement dated October 06, 2017 for the purpose of financing / security arrangement for a tender offer announced for acquiring shares of TIL held by the general public and to meet finance capital expenditure requirements related to container tracking. It was carrying mark-up at the rate of 3 months KIBOR plus 3 percent (2018: 3 months KIBOR plus 3 percent) per annum and was secured against 100 percent lien over TDRs in the name of TIL (a related party), cross corporate guarantee of Rs. 50 million from TIL and personal guarantee of Rs. 50 million from a director. The lien over TDRs in the name of TPLI has been released and lien was created against running finance facility obtained from a commercial bank during the year (note 36).
- 29.8** During the year, TTL (the subsidiary company) has obtained a term finance facility of Rs. 250 million for a period of three years from a commercial bank through an agreement dated December 24, 2018. The loan is repayable in 12 equal quarterly installments of Rs. 20.833 million each and carries mark-up at the rate of 1 month KIBOR plus 2.50 percent (2018: Nil) per annum. The facility is secured against first pari passu charge on current assets (receivables only) to the extent of Rs.266 million and first pari passu charge on fixed assets of Rs.266 million, pledge on 20 million, 11 million and 1.6 million ordinary shares of related parties namely TPL Insurance Limited, TPL Properties Limited and TRG Pakistan Limited, respectively aggregating to Rs. 500 million held by TPL Corp Limited (the parent company) and a director of TRG Pakistan Limited (a related party) with 50 percent margin.

		2019	2018
	Note	Rupees	Rupees
<b>30. DEFERRED LIABILITIES</b>			
Gratuity	30.1	<b>6,570,620</b>	6,206,490
<b>30.1</b> The movement is as follows:			
Opening balance		<b>6,206,490</b>	6,103,772
Charge for the year		<b>364,130</b>	102,718
Closing balance		<b>6,570,620</b>	6,206,490

As of the reporting date, no actuarial valuation of gratuity has been carried out by the Group since the management believes that effect of actual valuation would not be materially different. Further, provision of gratuity has been made at the year end.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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		2019	2018
	Note	Rupees	Rupees
<b>31. TRADE AND OTHER PAYABLES</b>			
Creditors		<b>442,343,229</b>	468,235,136
Accrued liabilities		<b>294,336,815</b>	151,248,886
Unearned income		<b>344,370,448</b>	361,833,030
Retention money		<b>5,809,251</b>	8,762,007
Share application money		-	100,898,750
Margin deposit from customers		<b>4,048,313</b>	2,533,313
Advance premium from insurers		<b>11,432,164</b>	4,143,691
Other liabilities			
Sales commission		<b>4,036,412</b>	46,672,874
Amounts due to other insurers / reinsurers		<b>194,214,727</b>	146,437,465
Federal insurance fee		<b>872,369</b>	1,032,365
Sales tax		<b>48,859,879</b>	49,578,459
Withholding tax		<b>41,423,480</b>	54,570,436
Workers' Welfare Fund		<b>11,929,213</b>	10,362,178
Provident fund		<b>42,460,243</b>	20,909,531
Others	31.1	<b>10,567,635</b>	4,081,738
		<b>354,363,958</b>	333,645,046
	31.2	<b>1,456,704,178</b>	1,431,299,859

**31.1** Includes stale cheques amounting to Rs.1647 million (2018: Rs.1647 million).

**31.2** These are non-interest bearing and generally on a term of 1 to 6 months except for creditors which are on a credit term of 30 days.

		2019	2018
	Note	Rupees	Rupees
<b>32. ACCRUED MARK-UP</b>			
Long-term financing	27	<b>105,955,539</b>	87,837,457
Long-term loans	29	<b>14,906,627</b>	3,163,361
Short-term financing	33	<b>13,780,751</b>	16,194,037
Running finance under mark-up arrangement	36	<b>31,258,030</b>	21,606,611
Due to related parties	38	<b>71,777,351</b>	2,801,603
		<b>237,678,298</b>	131,603,069
<b>33. SHORT-TERM FINANCING</b>			
Payable against LC's	33.1	<b>12,737,305</b>	19,181,204
Musharakah	33.2	<b>400,000,000</b>	400,000,000
Islamic Commercial Paper	33.3	<b>533,279,917</b>	-
		<b>946,017,222</b>	419,181,204

**33.1** Represents LCs facilities obtained by TTL from various commercial banks having aggregate limit of Rs. 210 million (2018: Rs.210 million). It carries mark-up ranging from 3 months KIBOR plus 2.5 percent to 3.5 percent (2018: 3 months KIBOR plus 2.5 percent to 3.5 percent) per annum and is secured against first pari passu hypothecation charge of Rs. 766 million (2018: Rs. 403 million) over all present and future stocks, book debts and fixed assets excluding land and buildings of the Group with cash margins ranging from 5 percent to 15 percent. As of the reporting date, Rs.197.26 million (2018: Rs.190.819 million) remains unutilized.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

**33.2** During the year, TPLP (the subsidiary company) has entered into musharakah agreement with an Islamic bank for an amount of Rs. 400 million which is repayable through quarterly payments at the rate of 2.5% plus 6 months KIBOR. into a musharakah agreement with an islamic bank to create joint ownership in the Centrepoint Project. The said periodic payments are secured against equitable interest over the Centrepoint Project.

**33.3** Represents partial amount of subscription money received by the Holding Company from various investors against privately placed Islamic Commercial Paper (ICP) units having face value of Rs.1 million to be issued at a discounted value that will be calculated on the date of issuance using a rate equivalent to 6 months KIBOR plus 2.75 percent and will be redeemed after 180 days from the date of its issuance. Subsequent to the reporting date, the Holding Company has received further amount of Rs.486 million and issued 1,100 units of ICP amounting to Rs.1,100 million at a discounted value of Rs. 1,019 million.

Under the terms of ICP agreement with investors, the Holding Company is liable to pay markup at the rate of 6 months KIBOR plus 2.75 per annum on amount received upto the date of issuance of ICP .

	Note	2019 Rupees	2018 Rupees
<b>34. LIABILITIES AGAINST INSURANCE CONTRACTS</b>			
Provisions against outstanding claims		149,893,693	217,800,693
Insurance liabilities		313,949,000	235,528,000
		<b>463,842,693</b>	<b>453,328,693</b>
<b>35. UNDERWRITING PROVISIONS</b>			
Unearned premium reserves		619,566,818	677,709,564
Unearned reinsurance commission		26,288,638	4,990,140
Unearned wakala fee		136,515,415	142,033,128
		<b>782,370,871</b>	<b>824,732,832</b>
<b>36. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS</b>			
TTL has obtained various facilities for short-term running finance from commercial banks having aggregate limit of Rs. 1,012.5 million (2018: Rs. 912.5 million) out of which Rs. 34.47 million (2018: Rs.43,077 million) was utilised as of the reporting date. These facilities carry 3 months KIBOR plus 1 percent to 2.5 percent (2018: 3 months KIBOR plus 1 percent to 2.5 percent) per annum. These are secured by way of registered hypothecation over stocks and book debts aggregating to Rs. 759 million (2018: Rs.1,093.5 million), pledge of 18.4 million ordinary shares of TTL and equitable first pari passu charge over property to the extent of Rs.809 million (2018: Rs.764 million).			
<b>37. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>	Note	2019 Rupees	2018 Rupees
Long-term financing	27	926,360,046	968,277,679
Liabilities against assets subject to finance lease	28	20,932,496	3,319,419
Long-term loans	29	261,746,030	254,753,899
		<b>1,209,038,572</b>	<b>1,226,350,997</b>
<b>38. DUE TO RELATED PARTIES - unsecured</b>			
TPL Holdings (Private) Limited - the parent company	38.1	<b>1,173,751,929</b>	504,988,182



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

- 38.1** Included herein current account balance of Rs. 101.752 million (2018: Rs. 59.988 million) carrying markup at fixed rate of 18 percent per annum (2018: fixed rate of 18 percent) per annum and Rs.1,072 million (2018: Rs. 445 million) carrying markup at a variable rate of 6 months KIBOR plus 3 percent (2018: variable rate of 6 months KIBOR plus 3 percent) per annum. The outstanding balances are repayable on demand.

		2019	2018
	Note	Rupees	Rupees
<b>39. ADVANCE MONITORING FEES</b>			
Opening balance		<b>37,463,676</b>	167,561,448
Additions during the year		<b>440,420,122</b>	412,822,816
Less: Transferred to income during the year	41	<b>431,232,099</b>	542,560,159
Closing balance	39.1	<b>46,651,699</b>	37,824,105

- 39.1** Represents monitoring fee invoiced in advance, which is taken to income as per the appropriate monitoring period.

## 40. CONTINGENCIES AND COMMITMENTS

### 40.1 Contingencies

**40.1.1** TPLP filed a petition before the Honorable Sindh High Court challenging the vires of Section 5A of Income Tax Ordinance 2001 introduced through Finance Act 2017 whereby TPLP is required to make payment of additional amount of 7.5% of the accounting profit after tax. The Court passed an interim order that no coercive action would be taken against the petitioner under the garb of the impugned Section, as has been passed in similar other petitions pending adjudication. The matter is still at hearing stage and management is confident of a favorable outcome.

**40.1.2** TPLP does not charge SST on its rental income on the ground that lending property on rent is not a service. TPLP had challenged the above levy before the Court. The Honorable High Court of Sindh held, vide its judgment dated 18 August 2017, that the renting of immovable properties shall not be services on the premise that such activity is not covered in the definition of economic activity as provided in the Sindh Sales Tax on Services Act, 2011. The said order of High Court of Sindh has been challenged by the Sindh Revenue Board (SRB) before the Honorable Supreme Court of Pakistan (SCP) simultaneously the Sindh Legislature has amended the definition of economic activity to neutralize effect of the said judgment of the Sindh High Court. Certain taxpayers have again challenged the levy of Sindh sales tax on renting of immovable property on the basis that it does not involve any element of service and that the judgement of SHC is still intact. SHC has also granted stay to the said taxpayers. TPLP is also of the view that the judgement of SHC is still intact and, therefore, currently no SST is being charged by TPLP while invoicing rentals and no provision has been made in these consolidated financial statements in this respect.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2019

**40.1.3** In respect of matter of carry forward of minimum tax paid in the year of loss, the SHC through an order dated May 07, 2013 (now reported as 2013 PTD 420) has held that minimum tax paid in the year of loss is not eligible for adjustment in future years. In the opinion of SHC, only the 'excess' of minimum tax over normal tax (which must not be zero) can only be carried forward in future years. Therefore, where there is no tax payable, inter alia, due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability. The matter is currently pending before the SCP for final decision. TIL has adjusted minimum tax of Rs. 10.73 million against its income tax liability in prior years and based on its tax advisor's opinion, is confident that the ultimate outcome in this regard would be favourable. Hence, no provision in this respect has been made in these consolidated financial statements.

**40.1.4** Federal Government, through Finance Act 2017, has imposed a tax on undistributed profits at the rate of 7.5% of profit before tax, in case the Company does not distribute at least 40% of its profit after tax to its shareholders either through cash dividend or issuance of bonus shares. The legislation requires tax to be paid for Tax Year 2017 and onwards. In respect of Tax Year 2017 (Financial Year 2016) TIL did not make distribution to its shareholders. TIL has filed a constitutional petition in the High Court of Sindh challenging the tax on undistributed reserves. The constitutional petition is pending in the High Court of Sindh and TIL has been granted stay order by the Court. TIL believes based on the opinion of its legal counsel, that outcome of this would be in its favour and accordingly, no provision for taxation on undistributed reserve amounted to Rs. 11.162 million has been made in these consolidated financial statements.

**40.1.5** The proceedings for amendment of assessment of TPLP for the tax year 2018 have been initiated by the Additional Commissioner under Section 122(9) read with section 122(5A) of the Ordinance.

In response to the same, the TPLP has submitted relevant information along with all necessary evidences. There has been no further correspondence from the department since then and the proceeding is yet to be finalised. Accordingly, no provision has been recorded in these consolidated financial statements in this respect.

**40.1.6** The Deputy Commissioner Inland Revenue (DCIR) has amended the deemed assessment of TPLP by passing an Order under Section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2017 thereby creating a tax demand of Rs. 7,931,385/-. In this connection, TPLP has filed an appeal before the Commissioner (Appeals) and simultaneously has also moved a rectification application with the concerned DCIR which is pending. The management is confident of a favorable outcome in respect of the appeal filed. Accordingly, no provision has been recorded in these consolidated financial statement with respect to said matter.

**40.1.7** During the year, FBR has issued order to TIL under Section 122(5A) demanding income tax of Rs. 53 million in respect of tax year 2017. TIL has filed appeal before Commissioner Inland Revenue (Appeal), which is pending adjudication. TIL is confident that the order issued by the Assessing Officer is not in accordance with the applicable law and therefore, no provision for any potential liability has been made in these consolidated financial statements.

**40.1.8** The Group is defending various suits filed against it in various courts in Pakistan for sums, aggregating to Rs. 20.289 million (2018: Rs. 22.89 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in the favor of the Group and, accordingly, no provision has been made for any liability against these law suits in these consolidated financial statements. Details of these legal cases are given below:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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Court	Description	Date of institution	Names	Relief sought
High Court of Sindh	Dispute arising on the reimbursement on return of tracking device and un-utilised monitoring charges.	April 01, 2011	Geofizyka Krakow Limited vs TPL Trakker Limited	Reimbursement of Rs.10.929 million being the price paid for the equipment in respect of returned units and un-utilised monitoring charges
District and Session Court (East)	Dispute arising due to the non-functionality of tracking device	April 08, 2013	Muhammad Aziz Khan vs TPL Trakker Limited	Recovery of Rs. 1.350 million being the cost of the car and Rs.1 million as damages.
District and Session Court (West)	Dispute arising due to the non-functionality of tracking device	October 29, 2015	Ahmed Shah vs TPL Trakker Limited	Recovery of damages and compensation of Rs.7.010 million

	2019	2018
Note	Rupees	Rupees
<b>40.1.9</b> Guarantees issued by banks on behalf of the Holding Company	<b>22,853,482</b>	15,232,250
<b>40.1.10</b> Corporate guarantee issued by the Holding Company	<b>60,000,000</b>	-

## 40.2 Commitments

<b>40.2.1</b>	Letter of credit	<b>12,737,305</b>	19,181,204
<b>40.2.2</b>	Revolving letter of credit	<b>16,854,000</b>	16,854,000
<b>40.2.3</b>	Capital expenditure	<b>8,380,569</b>	12,328,458

**40.2.4** Represents TPLP contractual commitments in respect of Centrepont Project at year end.

### 40.2.5 Ijarah agreements

The Group has entered into ijarah agreements with various financial institutions in respect of purchase of vehicles for a period of three years to five years. Ijarah payments due under these agreements are Rs. 42.293 million (2018: Rs. 98.463 million) payable in monthly installments latest by March 2021. Taxes and repairs are to be borne by the Group, however, major repairs and insurance costs are to be borne by the lessor. These payments are secured against promissory notes in favour of lessor for entire amount of ijarah rentals and security deposit is Rs. 23.187 million (2018: Rs. 34.435 million). Future minimum rentals payable under ijarah agreements as at year end are as follows:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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		2019	2018
	Note	Rupees	Rupees
Not later than one year		16,398,700	56,218,042
Later than one year but not later than five years		25,893,860	42,244,554
		<b>42,292,560</b>	<b>98,462,596</b>

**40.2.6** TPLP (a related party), has entered into commercial property leases on its investment property with tenants. These non-cancellable leases have terms of five years. Future minimum rentals receivable under non-cancellable operating leases as at year end are as follows:

		2019	2018
	Note	Rupees	Rupees
Not later than one year		267,708,362	216,650,910
Later than one year but not later than five years		902,784,385	1,236,256,176
		<b>1,170,492,747</b>	<b>1,452,907,086</b>

## 41. TURNOVER - net

Equipment installation and sales		435,680,751	361,272,398
Monitoring fees	39	517,114,413	622,779,302
Rental income		1,193,790,823	1,108,138,218
Premium		1,643,359,261	1,172,818,095
Net wakala fee		294,155,325	177,851,801
Service income:			
- security		146,430,760	122,148,911
- navigation		79,821,152	105,787,194
- maintenance, electricity and air conditioning		155,262,932	143,446,494
- others		216,750,808	91,693,531
		<b>598,265,652</b>	<b>463,076,130</b>
		<b>4,682,366,225</b>	<b>3,905,935,944</b>
Less: Sales tax		358,488,735	434,519,840
		<b>4,323,877,490</b>	<b>3,471,416,104</b>

## 42. COST OF SALES AND SERVICES

		2019	2018
	Note	Rupees	Rupees
<b>Cost of equipment sold</b>			
Opening stock	15	325,897,495	356,122,525
Purchases		264,622,676	244,877,007
		<b>590,520,171</b>	<b>600,999,532</b>
Rental units capitalized		(200,527,470)	(197,107,456)
Closing stock	15	(266,339,657)	(325,897,495)
		<b>123,653,044</b>	<b>77,994,581</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>Direct expenses</b>			
Salaries, wages and other benefits	42.1	706,210,871	501,975,707
Monitoring charges		24,810,926	70,528,846
Net insurance claims / deficit		898,259,949	560,337,793
Net insurance commission		204,746,672	129,850,082
Landscape and plantation		4,223,000	3,584,100
Activation and connection charges		177,987,817	177,920,359
Housekeeping and cleaning		14,444,400	13,525,272
Publicity		40,777,642	30,484,330
Insurance		26,910,617	21,629,995
Repairs and maintenance		8,326,456	27,198,571
Vehicle running and maintenance		22,846,549	26,392,967
Depreciation	7.11	191,044,872	126,481,893
Amortisation	8.3	44,250,815	46,165,989
Printing and stationery		6,902,878	5,928,275
License renewal fee		18,648,176	4,471,428
Communication		5,700,883	10,969,430
Travelling and conveyance		47,028,948	50,398,154
Utilities		42,471,763	41,998,879
Rent, rates and taxes		18,881,053	16,113,776
Uniform and liveries		1,134,831	1,056,518
Computer expenses		2,491,065	3,868,593
Others		973,810	11,813,176
		<b>2,509,073,993</b>	<b>1,882,694,133</b>
		<b>2,632,727,037</b>	<b>1,960,688,714</b>

**42.1** Includes Rs. 16.982 million (2018: Rs. 17.743 million) in respect of staff retirement benefits (provident fund contribution).

		2019	2018
	Note	Rupees	Rupees
<b>43. DISTRIBUTION EXPENSES</b>			
Salaries, wages and other benefits	43.1	84,087,472	78,824,887
Commission		58,100,731	59,798,975
Depreciation	7.11	42,966,155	26,045,694
Sales promotion and publicity		57,515,093	70,233,349
Computer expenses		843,748	1,146,792
Utilities		7,893,496	29,101
Postage and courier		6,019,158	6,195,107
Printing and stationery		1,551,572	2,908,630
Communication		5,816,324	2,051,758
Rent, rates and taxes		6,598,740	125,975
Vehicle running and maintenance		8,517,958	6,208,084
Insurance		4,788,160	3,624,501
Research and development		750,443	-
Outsourcing expenses		49,693,918	20,401,963
Travelling and conveyance		15,815,814	4,798,363
Newspapers and periodicals		406,342	214,786
		<b>351,365,123</b>	<b>282,607,965</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

**43.1** Includes Rs. 4.602 million (2018: Rs. 3.426 million) in respect of staff retirement benefits (provident fund contribution).

		2019	2018
	Note	Rupees	Rupees
<b>44. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	44.1	429,050,007	372,004,248
Monitoring charges		24,810,926	73,041,517
Legal and professional		99,486,299	145,154,431
Depreciation	7.11	83,825,965	44,909,722
Amortisation	8.3	58,484,525	28,483,685
Allowance for expected credit losses		25,678,986	14,979,058
Utilities		17,251,646	11,138,189
Rent, rates and taxes		58,884,640	11,258,813
Travelling and conveyance		62,132,462	22,398,359
Repairs and maintenance		78,309,076	34,050,060
Security		974,091	13,625,421
Vehicle running and maintenance		39,789,356	19,786,147
Computer expenses		12,889,098	11,154,475
Communication		9,129,534	8,203,573
Training		3,379,286	5,122,775
Auditors' remuneration	44.2	20,805,526	18,932,854
Insurance		6,819,619	7,535,297
Entertainment		25,614,454	47,731,751
Printing and stationery		21,714,746	13,915,611
Postage and courier		11,994,955	9,562,685
Donations	44.3 & 44.4	42,580,491	19,624,091
Ijarah rentals		47,851,903	56,103,521
Subscription		18,109,947	16,706,213
Fire, safety and security		1,770,856	1,746,700
Others		24,415,487	24,229,313
		<b>1,225,753,879</b>	<b>1,031,398,509</b>

**44.1** These include Rs. 9.268 million (2018: Rs. 8.494 million) in respect of staff retirement benefits (provident fund contribution).

		2019	2018
	Note	Rupees	Rupees
<b>44.2 Auditors' remuneration</b>			
Audit fees		10,651,820	8,998,060
Half yearly review fee, CCG and other assurance services		9,198,448	8,904,479
Out of pocket expenses		955,258	1,030,315
		<b>20,805,526</b>	<b>18,932,854</b>

**44.3** Recipients of donations do not include any donee in which a director or spouse had any interest.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>44.4</b>	Donation to donees equal to or exceeds Rs. 1 million or 10 percent of the Group's total amount of donation, whichever is higher are as follows:		(note 44.5)
Patent Aid Foundation		15,000,000	5,000,000
Habib University Foundation		6,365,000	-
The Kidney Centre Post Graduate Training Institute		1,213,200	-
Institute of Business Administration		1,950,000	3,250,000
Sindh Insitute of Urology and Transplantation		2,500,000	2,500,000
The Indus Hospital		2,500,000	2,500,000
The Aga Khan University Hospital (The Patient's Behbud Society for AKUH)		-	500,000
Pakistan Red Crescent Society		-	500,000
Al Umeed Rehabilitation Association		1,000,000	500,000
		<b>30,528,200</b>	<b>14,750,000</b>

**44.5** The comparative figures have not been restated to reflect the amendments in the Fourth Schedule of the Companies Act, 2017.

**44.6** Investments out of provident fund has been made in accordance with the provisions of Section 218 of the Companies Act, 2017, and the conditions specified thereunder.

	Note	2019 Rupees	2018 Rupees
<b>45. OTHER EXPENSES</b>			
Workers' Welfare Fund		869,110	537,232
Exchange losses – net		29,953,692	17,280,153
Loss on acquisition of TPL Insurance Limited		-	79,494,134
		<b>30,822,802</b>	<b>97,311,519</b>

## 46. FINANCE COSTS

Mark-up on:

- long-term financing
- liabilities against assets subject to finance lease
- long-term loans
- short-term financing
- running finance under mark-up arrangements
- due to related parties

Bank and other charges

<b>426,678,357</b>	293,613,151
<b>2,247,505</b>	1,465,630
<b>63,972,427</b>	55,067,610
<b>52,904,028</b>	40,857,708
<b>105,666,546</b>	89,688,809
<b>83,675,040</b>	24,078,617
<b>5,438,305</b>	2,796,507
<b>740,582,208</b>	<b>507,568,032</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
<b>47. OTHER INCOME</b>			<b>(Restated)</b>
<b>Income from financial assets:</b>			
Interest income on loan given to employees	12.3	39,407	39,319
Income on term deposits receipts		27,985,013	7,726,826
Income on debt securities		33,337,693	-
Mark-up on saving accounts		53,447,943	20,627,992
Dividend income		197,798	-
Investment income		-	35,966,950
Realized loss on investment in mutual funds		(7,676,494)	-
Unrealized loss on investment in mutual funds		(43,421,454)	-
		<b>63,909,906</b>	<b>64,361,087</b>
<b>Income from related parties:</b>			
Mark-up on current account with related parties		8,587,127	26,695,786
Rentals from takaful operations		147,300,096	72,318,333
		<b>155,887,223</b>	<b>99,014,119</b>
<b>Total income from financial assets</b>		<b>219,797,129</b>	<b>163,375,206</b>
<b>Income from assets other than financial assets:</b>			
Deferred income		-	2,444,444
Gain on disposal of property, plant and equipment		4,572,085	16,454,245
Unwinding of PTF		4,604,005	3,641,717
Remeasurement adjustment on investment property		592,882,635	944,646,887
Others		28,124,434	14,561,314
		<b>630,183,159</b>	<b>981,748,607</b>
		<b>849,980,288</b>	<b>1,145,123,813</b>
<b>48. TAXATION</b>			
Current		120,956,129	76,207,289
Prior		(1,613,998)	547,800
		<b>119,342,131</b>	<b>76,755,089</b>
Deferred		(20,611,982)	(17,185,270)
		<b>98,730,149</b>	<b>59,569,819</b>

- 48.1** The returns of the total income of the Holding Company have been filed for and upto tax year 2018 which are considered as deemed assessments, except for tax years 2016 and 2017. In respect of tax year 2016, the Holding Company had received an order from Deputy Commissioner Inland Revenue (DCIR) whereby, a demand of Rs. 1.08 million was raised on account of disallowance of certain expenses. Being aggrieved the Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) against which, subsequent to the reporting date, appeal effect order was issued by CIR(A). The Holding Company is currently in process of filing an appeal against the said order at higher forum. Further, in respect of tax year 2017, the case of the Holding Company has been selected for audit u/s 177 of the Income Tax Ordinance, 2001.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>48.2 Relationship between accounting profit and tax expense</b>			
Profit before taxation		181,114,956	723,817,944
Applicable tax rate		29%	30%
Tax at the above rate		52,523,337	217,145,383
Tax effect of income / expenses that are not allowable for tax purposes		(171,935,964)	(219,025,739)
Alternate corporate tax / minimum tax		-	55,680,561
Tax effect of income subject to lower tax rate		220,010,680	-
Tax effect of prior year tax		(1,613,998)	547,800
Tax effect of change in tax rate		-	11,504,923
Effect of tax credit		(253,906)	(6,283,109)
		98,730,149	59,569,819
Effective tax rate		55%	8%
<b>49. EARNINGS PER SHARE – basic and diluted</b>			
(Loss) / profit attributable to the ordinary shareholders of parent (Rupees)		(293,895,222)	10,378,535
Weighted average number of ordinary shares in issue		244,893,489	(Restated) 214,667,500
Earnings per share – basic and diluted (Rupees)		(1.20)	(Restated) 0.05

**49.1** During the year, the Holding Company has issued ordinary right shares as disclosed in note 1.5 to these consolidated financial statements. Accordingly, the comparative numbers are restated.

**49.2** There is no dilutive effect on basic earnings per share of the Group.

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

"The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining and appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Group is exposed to insurance risk, market risk, credit risk, and liquidity risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2019. The policies for managing each of these risks are summarised below:"

### 50.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2019 and 2018.

#### 50.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

changes in market interest rates relates primarily to the Group's long-term and short-term financing arrangement and bank balances at floating interest rates to meet its business operations and working capital requirements. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax (through impact on floating rate borrowings). There is no direct impact on Group's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and on non-financial assets and liabilities of the Group.

	(Increase) / decrease in basis points	Effect on profit before tax (Rupees)
2019	+100	(46,022,258)
	-100	<u>46,022,258</u>
2018	+100	(60,833,657)
	-100	<u>60,833,657</u>

## 50.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign currency exchange rates risk primarily relates to the Group's operating activities and borrowings in foreign currencies. The Group manages its foreign currency risk by effective fund management and timely repayment of its foreign currency liabilities. The Group, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar and Euro exchange rate. As at June 30, 2019 and 2018, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5 percent against the US Dollar and Euro, with all other variables held constant, on the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) are as follows:

	(Increase) / decrease in US Dollar and Euro to Pak Rupee	Effect on profit before tax (Rupees)
2019	5%	(5,088,771)
	-5%	<u>5,088,771</u>
2018	5%	(4,117,776)
	-5%	<u>4,117,776</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 50.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk.

### Equity price risk

Equity price risk is the risk arising from uncertainties about future values of investments securities. The Group manages the price risk through diversification and placing limits on individual and total equity instruments and continuous monitoring of developments in equity market. As of reporting date, the Group is exposed to equity price risk in respect of investment in quoted securities. Change of 10 percent in equity prices will result in change in price of respective equity instruments by Rs. 0.102 million (2018: Rs. 0.126 million).

## 50.2 Credit risk

**50.2.1** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory assets and includes deposits, trade and other receivables, interest accrued, investments, due from related parties and cash and bank balances. Out of the financial assets of Rs.3,308 million (2018: Rs. 4,886 million) the financial assets which are subject to credit risk amounted to Rs.3,207 million (2018: Rs. 3,213 million). The Group's credit risk is primarily attributable to its trade debts, other receivables, investments, insurance / reinsurance receivables and bank balances. The Group has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, and effective implementation of customers credit policy, concentration of credit risk with respect to trade debts is limited. Further, the Group manages its credit risk by obtaining in advance payment for tracking devices, insurance premium, service charges, rent, and maintenance and other services.

The credit quality of financial assets that are past due but not impaired is disclosed in note 16.3 to these consolidated financial statements. As at the reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

**50.2.2** The Group monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

		2019	2018
	Note	Rupees	Rupees
Long-term loans	12	2,374,088	1,363,439
Long-term deposits	13	54,887,344	69,917,932
Trade debts	16	610,708,562	572,126,854
Loans	17	25,000,000	-
Trade deposits	18	67,013,677	67,921,906
Interest accrued	19	20,434,331	23,913,319
Other receivables	20	787,765,320	684,474,624
Due from related parties	22	80,217,260	11,706,548
Bank balances	24	770,925,742	951,334,425
		<b>2,419,326,324</b>	<b>2,382,759,047</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

**50.2.3** The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category	Rating Agency	2019	2018
		Rupees	Rupees
A-1+	PACRA / JCR-VIS	<b>146,056,477</b>	103,218,179
A-1	PACRA / JCR-VIS	<b>105,463,369</b>	84,064,148
A-2	JCR-VIS	<b>17,550,420</b>	18,610
A2	JCR-VIS	-	50,473,289
A1+	PACRA / JCR-VIS	-	138,115,966
A1	PACRA / JCR-VIS	-	414,698,038
A-3	JCR-VIS	<b>441,855,476</b>	-
A	PACRA	-	239,862
A+	PACRA / JCR-VIS	-	1,503,557
AA-	PACRA / JCR-VIS	-	1,489,709
A-	JCR-VIS	-	18,775,103
AA	PACRA / JCR-VIS	-	1,998,312
AA+	PACRA / JCR-VIS	-	83,163,743
BBB	JCR-VIS	-	25,000,000
AAA	PACRA/JCR-VIS	-	28,575,910
		<b>710,925,742</b>	<b>951,334,425</b>

## 50.3 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations with the financial liabilities. The financial liability excludes statutory liabilities and provisions and includes long-term and short-term financing, trade and other payables, accrued markup, due to related parties, liabilities against insurance contracts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of various financing facilities. The table below summarises the maturity profile of the Group's financial liabilities at June 30, 2019 and 2018 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees)				
<b>June 30, 2019</b>					
Long-term financing	<b>127,142,833</b>	<b>86,686,803</b>	<b>1,900,779,632</b>	<b>1,284,660,803</b>	<b>3,399,270,071</b>
Liabilities against assets subject to finance lease	<b>348,400</b>	<b>4,958,470</b>	<b>15,625,626</b>	<b>52,145,571</b>	<b>73,078,067</b>
Long-term loans	<b>37,291,666</b>	<b>57,589,285</b>	<b>166,865,078</b>	<b>148,888,891</b>	<b>410,634,920</b>
Due to related parties	<b>1,173,751,929</b>	-	-	-	<b>1,173,751,929</b>
Trade and other payables	-	<b>855,781,005</b>	<b>445,188,292</b>	<b>10,189,696</b>	<b>1,311,158,993</b>
Accrued markup	<b>238,534,790</b>	-	-	-	<b>238,534,790</b>
Running finance under markup arrangements	<b>988,025,014</b>	-	-	-	<b>988,025,014</b>
Short-term financing	-	<b>646,017,222</b>	<b>300,000,000</b>	-	<b>946,017,222</b>
Liabilities against insurance contracts	-	<b>313,949,000</b>	<b>149,893,693</b>	-	<b>463,842,693</b>
Underwriting provisions	-	-	<b>782,370,871</b>	-	<b>782,370,871</b>
	<b>2,565,094,632</b>	<b>1,964,981,785</b>	<b>3,760,723,192</b>	<b>1,495,884,961</b>	<b>9,786,684,570</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees)				
<b>June 30, 2018</b>					
Long-term financing	79,800,000	99,000,000	1,753,708,280	2,322,896,679	4,255,404,959
Liabilities against assets subject to finance lease	1,938,427	612,881	1,116,511	155,616	3,823,435
Long-term loans	14,111,221	42,333,663	127,000,987	379,441,448	562,887,319
Due to related parties	504,988,182	-	-	-	504,988,182
Trade and other payables	20,909,539	777,814,388	517,032,502	-	1,315,756,429
Accrued markup	131,603,069	-	-	-	131,603,069
Running finance under markup arrangements	939,871,844	-	-	-	939,871,844
Short-term financing	-	419,181,204	-	-	419,181,204
Liabilities against insurance contracts	-	235,528,000	217,800,693	-	453,328,693
Underwriting provisions	-	824,732,832	-	-	824,732,832
	<b>1,693,222,282</b>	<b>2,399,202,968</b>	<b>2,616,658,973</b>	<b>2,702,493,743</b>	<b>9,411,577,966</b>

## 50.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Holding Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Holding Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

The Group held the following financial instruments measured at fair value other than those disclosed in note 7.11 and note 9 to these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>2019</b>				
Government securities	259,466,440	-	259,466,440	-
Term deposit receipts (TDRs)	85,000,000	-	85,000,000	-
Listed securities	1,018,460	1,018,460	-	-
Open ended mutual funds	81,630,277	81,630,277	-	-
	<b>427,115,177</b>	<b>82,648,737</b>	<b>344,466,440</b>	<b>-</b>
<b>2018</b>				
Government securities	228,183,226	-	228,183,226	-
Term deposit receipts (TDRs)	685,000,000	-	685,000,000	-
Listed securities	1,256,725	1,256,725	-	-
Open ended mutual funds	336,902,224	336,902,224	-	-
	<b>1,276,342,175</b>	<b>338,158,949</b>	<b>938,183,226</b>	<b>-</b>

## 50.5 Risk related to insurance business

### 50.5.1 Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of compensation to the insured. Generally most insurance contracts carry the insurance risk for a period of one year. The Group's major insurance contracts are in respect of motor vehicles through issuance of general insurance contracts relating to motor insurance. For these contracts the most significant risks arise from theft, accidents and terrorist activities.

The Group's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Group from individual to large or catastrophic insured events. Further, the Group adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

### 50.5.2 Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, reinsurance arrangements and proactive claim handling procedures. The reinsurance arrangements against major risk exposure include excess of loss, quota share, surplus arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on Group's net retentions.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 50.5.3 Uncertainty in the estimation of future claim payments

Claims on motor insurance contracts are payable on a claim occurrence basis. The Group is liable for all insured events that occur during the term of the insurance contracts respectively, including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Group. The estimation of the amount is based on management judgment or preliminary assessment by the independence surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for incurred but not reported (IBNR) is based on the management's best estimate which takes into account expected future patterns of reporting of claims and the claim actually reported subsequent to the reporting date. There are several variable factors which affect the amount and timing of recognized claim liabilities. The Group takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Outstanding claims are reviewed on a periodic basis.

## 50.5.4 Key assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected income. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case to case basis with due regard to the claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Core estimates are reviewed regularly and are updated as and when new information is available.

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserves is that the Group's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. During the year, the Group has not changed its assumptions for the insurance contracts.

## 50.5.5 Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Group makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Group considers that the liability for claims recognized in the statement of financial position is adequate. However, actual experience may differ from the expected outcome.

The claim liabilities are sensitive to the incidence of insured events and severity / size of claims. As the Group enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance. The impact of 10

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

percent increase / decrease in incidence of insured events on profit before tax and shareholder's equity is as follows:

	Profit before tax		Shareholder's equity	
	2019	2018	2019	2018
	(Rupees)			
<b>Average claim cost</b>				
Fire and property damage	71,937	348,784	51,794	247,637
Marine, aviation & transport	2,825,528	556,822	2,034,380	395,344
Motor business	38,738,005	23,917,506	27,891,363	16,981,429
Health	988,375	490,055	711,630	347,939
Miscellaneous	40,845	519,713	29,408	368,996
	<b>42,664,690</b>	<b>25,832,880</b>	<b>30,718,575</b>	<b>18,341,345</b>

## 50.5.6 Concentration of risk

To optimise benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risk with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the insured property.

The adequate event limit is a multiple of the treaty capacity or the primary recovery from excess of loss treaty, which is very much in line with the risk management philosophy of the Group.

Reinsurance ceded does not relieve the Group from its obligation towards policy holders and, as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

The Group minimises its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions. The concentration of risk by type of contracts based on single risk with maximum exposure is summarised below:

	Gross sum insured		Reinsurance		Net	
	2019	2018	2019	2018	2019	2018
	(Rupees)					
Fire & property damage	4,809,655,529	2,615,079,576	4,713,462,418	2,603,872,092	96,193,111	11,207,484
Marine, aviation & transport	948,763,200	503,876,452	928,763,200	463,566,336	20,000,000	40,310,116
Motor business	20,000,000	20,000,000	15,000,000	15,000,000	5,000,000	5,000,000
Health	40,000	800,000	-	-	40,000	800,000
Miscellaneous	245,000,000	160,000,000	220,000,000	158,720,000	25,000,000	1,280,000
	<b>6,023,458,729</b>	<b>3,299,756,028</b>	<b>5,877,225,618</b>	<b>3,241,158,428</b>	<b>146,233,111</b>	<b>58,597,600</b>

## 50.6 Risk related to insurance business

The Group's overall risk management seeks to minimize potential adverse effects on the Group's financial performance of such risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2019

The risks involved with financial instruments and the Group's approach to managing such risks are discussed below.

### 50.6.1 Insurance risk

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Group faces under such contracts is that the occurrence of the insured events and the severity of reported claims. The Group's risk profile is improved by diversification of these risks of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subset.

### 50.6.2 Individual life unit linked

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Group may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Group may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Group faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Group being unable to recover expenses incurred at policy acquisition.

The Group manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Group has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Group to limit the maximum exposure on any one policyholder. To avoid poor persistency the Group applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Group has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, claims committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Group maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. The Group reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

#### a) Frequency and severity of claims

The Group charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Group manages these risks through its underwriting strategy and reinsurance arrangements.

#### b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long – term unit linked insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behavior.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## **c) Process used to decide on assumptions**

For long-term unit linked insurance contracts, assumptions are made in two stages. At inception of the contract, the Group determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies.

## **d) Changes in assumptions**

There has been no change in assumptions during the year.

### **50.6.3 Group life**

The main risk written by the Group is mortality. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Group also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Group manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Group has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Group. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Group also maintains an MIS to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Group to limit the maximum exposure to any life. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Group ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor claim experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Group ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place in order to keep the outstanding balances of premium at a minimum, especially the ones that are overdue. The bulk of the assets held against liabilities of this line of business have a short duration, thus mitigating the risk of asset value deterioration.

## **a) Frequency and severity of claims**

The risk is affected by several factors e.g. age, occupation, benefit structure and life style. The Group attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

## **b) Sources of uncertainty in the estimation of future benefits payments and premium receipts**

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

## **c) Process used to decide on assumptions**

Statistical methods are used to adjust the rates to a best estimate of mortality. Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## d) Changes in assumptions

There has been no change in assumptions during the year.

### 50.6.4 Accident and health

The main risk written by the Group is morbidity. The Group may be exposed to the risk of unexpected claim severity or frequency. This can be a result of high exposure in a particular geographical areas, medical expense inflation, fraudulent claims and catastrophic event. The Group potentially faces the risk of lack of adequate claims control (such as for very large groups). The Group also faces a risk of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time.

The Group manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Group has a well defined medical under-writing policy and avoids writing business for groups with potentially high health related risk exposure such as Government Schemes. Any pre-existing conditions are screened at this stage. Pricing is done as per actual experience of the Group's portfolio. The premium charged takes into account the actual experience of the client and an MIS is maintained to track the adequacy of the premium charged.

#### a) Frequency and severity of claims

Group measures risk accumulation in terms of potentially high exposure concentration in a particular geographical area (such as micro insurance policy in northern areas).

#### b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate morbidity for future years because of the short duration of the contracts.

#### c) Process used to decide on assumptions

An investigation into Group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. Where data is sufficient to be statistically credible, the statistics generated by the data are assigned appropriate credibility factors to account for the group's experience.

#### d) Changes in assumptions

There has been no change in assumptions.

Reserve risks are controlled by constantly monitoring the provisions for insurance claims that have been submitted but not yet settled and by amending the provision, if deemed necessary. There are several variable factors that affect the amount and timing of recognized claim liabilities. However the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. As the Group enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below:

	Change in claims assumption	Impact on profit before taxation (Rupees in '000)
<b>2019</b>		
Provision for current claims	+10%	(7,736)
	-10%	<u>7,736</u>
<b>2018</b>		
Provision for current claims	+10%	(6,593)
	-10%	<u>6,593</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 50.7 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2019.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves:

	Note	2019 Rupees	2018 Rupees
Long-term financing	27	3,399,270,071	4,255,404,959
Liabilities against assets subject to finance lease	28	73,078,067	3,823,435
Long-term loans	29	410,634,920	562,887,319
Accrued mark-up	32	238,534,790	131,603,069
Short-term financing	33	946,017,222	419,181,204
Running finance under mark-up arrangements	36	988,025,014	939,871,844
Due to related parties		1,173,751,929	504,988,182
<b>Total debts</b>		<b>7,229,312,013</b>	<b>6,817,760,012</b>
Less: Cash and bank balances	24	772,349,444	952,449,788
<b>Net debt</b>		<b>6,456,962,569</b>	<b>5,865,310,224</b>
Share capital	25	2,672,977,630	2,372,977,630
Reserves		846,669,638	854,097,141
<b>Total equity</b>		<b>3,519,647,268</b>	<b>3,227,074,771</b>
<b>Total capital</b>		<b>9,976,609,837</b>	<b>9,092,384,995</b>
<b>Gearing ratio</b>		<b>64.72%</b>	<b>64.51%</b>

## 51. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements for the year are as follows:

	Chief Executive		Directors		Executives	
	2019	2018	2019	2018	2019	2018
	(note 51.1)					
	----- Rupees -----					
Basic salary	79,201,507	59,823,622	4,326,066	4,235,088	184,193,372	219,961,048
Bonus	-	-	-	-	550,000	852,000
House rent allowance	29,025,922	16,739,604	1,946,727	1,905,528	70,118,857	85,566,556
Utilities	6,029,634	3,267,830	-	-	23,479,699	39,310,314
Allowances	6,806,937	5,497,579	3,273,225	1,683,384	11,565,033	14,324,517
Retirement benefits	5,146,141	2,674,009	360,361	352,783	13,681,806	17,053,794
Others	-	-	3,700,000	-	14,959,296	11,981,285
	126,210,141	88,002,644	13,606,379	8,176,783	318,548,063	389,049,514
Number of person(s)	8	5	13	7	75	109

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

- 51.1** Included herein aggregate remuneration of Chief Executive of group companies amounting to Rs. 92.119 million (2018: Rs. 77.886 million).
- 51.2** In addition, the Chief Executive, directors and certain executives of the Group have also been provided with Group owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Group.
- 51.3** During the year, the Group has paid Rs. 0.37 million (2018: Rs. 1.96 million) to the non-executive directors on account of board meeting fees.

## 52. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of ultimate parent company, subsidiaries, associated companies, where directors hold common directorship, key management personnel and their close family members and staff retirement benefit funds. Transactions and balances with related parties other than those disclosed elsewhere in these consolidated financial statements are as follows:

	Note	2019 Rupees	2018 Rupees
<b>TPL Holdings (Private) Limited – (Ultimate Parent Company)</b>			
Acquisition of TPLP shares under the Scheme		-	261,343,762
Amount received by the Holding Company and TTL		<b>869,000,000</b>	58,649,675
Expenses incurred / paid by TTL on behalf of TPLH		<b>1,490,460</b>	1,175,620
Mark-up on current account		<b>85,549,889</b>	14,618,158
Amount paid / repaid by the Holding Company and TTL		<b>198,745,794</b>	78,880,831
Loan received by the Holding Company		-	445,000,000
Mark-up received by the Group		-	66,558
Mark-up paid by TTL to TPLH on account of accrued mark-up		<b>16,555,806</b>	12,050,565
<b>Trakker Middle East LLC. – (Associated Company)</b>			
Expenses incurred / paid on behalf of the Holding Company		<b>18,800,878</b>	3,367,713
Mark-up on current account		<b>1,015,882</b>	-
<b>TPL Logistics (Private) Limited – (Common directorship)</b>			
Amount paid by the Holding Company to TPLL		<b>152,500</b>	-
Expenditure incurred by TTL for TPLL on behalf of the Holding Company		<b>323,229</b>	-
Settlement of amount receivable by the Holding Company from TTL against the amount payable by TPLL to TTL under signed Memorandum of Arrangement		<b>2,427,139</b>	-
<b>Trakker Direct Finance Private) Limited – (Common directorship)</b>			
Expenses incurred / paid by TTL		<b>12,000</b>	18,800
Mark-up on current account		<b>104,767</b>	76,642

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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		2019	2018
	Note	Rupees	Rupees
<b>TRG Pakistan Limited - (Common directorship)</b>			
Expenses incurred / paid by the Holding Company		780,580	951,081
Services rendered by TSS		-	1,884,000
Amount received by TSS		-	2,469,500
Mark-up on current account		943,318	592,115
<b>Virtual World (Private) Limited – (Common directorship)</b>			
Services received during the year from TIL		22,392,138	8,235,655
Outsourcing expense paid during the year to TIL		14,497,845	5,511,665
<b>TPL E-venture (Private) Limited – (Common directorship)</b>			
Expenditure incurred by TTL for TPLE on behalf of the Holding Company		21,813,967	-
Expenditure incurred by TIL for TPLE		217,358	-
Settlement of amount receivable by the Holding Company from TTL against the amount payable by TPLE to TTL under signed Memorandum of Arrangement		5,682,374	-
Markup on current account		609,737	7,900
<b>Staff retirement benefit</b>			
Employer contribution		63,339,728	15,713,059
<b>Key management personnel</b>			
Salaries and other benefits		171,702,399	84,726,582
Post employment benefits		4,296,226	3,991,265

- 52.1** All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Holding Company. The related parties' status of outstanding receivables and payables as at June 30, 2019 and 2018 are disclosed in respective notes to these consolidated financial statements.
- 52.2** Comparative figures have been restated to reflect changes in the definition of key management personnel as per Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.
- 52.3** Certain employees of the group companies provides services to the Holding Company and accordingly, their cost are proportionately charged to the Holding Company on agreed terms. In addition, certain common expenses (other than salaries and other benefits) are also allocated within the group companies on agreed basis and terms.

		2019	2018
	Note	Rupees	Rupees
<b>53. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	24	772,349,444	952,449,788
Running finance under mark-up arrangements	36	(988,025,014)	(939,871,844)
		(215,675,570)	12,577,944



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 54. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into business units based on their services. Accordingly, the Group has three reportable operating segments as follows:

- The 'Tracking and other digital services' segment relates to installation and sales of tracking devices, vehicle tracking and fleet management and services of monitoring, navigation and E-ticketing.
- The 'Insurance' segment includes activities relating to general and life insurance business.
- The 'Real estate and related services' includes premises given on rent and its related maintenance, electricity and air conditioning services provided to tenants.
- Other segments represents security services and road side assistance services of providing vehicle assistance in emergency.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross and operating profit and reduction in operating cost.

### Geographical information

Following is the geographical breakup of Group's gross turnover:  
Pakistan

		2019	2018
Note		Rupees	Rupees
42		<b>4,682,366,225</b>	3,905,935,944

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

Non-current assets of the Group are confined within Pakistan and consist of property and equipment, intangible assets, investment property, long-term investments, loans, deposits and receivables. No customer of the Group constitutes more than 10% of the Group's total revenue relating to aforesaid segments.

	Tracking and other digital services	Insurance	Real estate and related services	Others	Total
	(Rupees)				
<b>2019</b>					
<b>TURNOVER - NET</b>	<b>1,768,612,829</b>	<b>1,937,514,586</b>	<b>429,221,202</b>	<b>188,528,873</b>	<b>4,323,877,490</b>
<b>RESULT - (segment results)</b>	<b>(30,742,395)</b>	<b>(232,058,274)</b>	<b>628,195,599</b>	<b>(184,279,974)</b>	<b>181,114,956</b>
<b>Taxation</b>					<b>(98,730,149)</b>
<b>Profit for the year</b>					<b>82,384,807</b>
<b>OTHER INFORMATION</b>					
Total capital expenditure	-	78,416,567	31,701,919	-	110,118,486
Total depreciation and amortisation	276,480,419	50,559,641	42,998,349	45,665,364	415,703,773
<b>ASSETS AND LIABILITIES</b>					
Total segment assets	5,740,494,059	2,792,678,656	9,347,491,560	5,250,478,066	23,131,142,341
Total segment liabilities	3,108,881,213	1,698,486,262	3,044,112,116	2,169,250,144	10,020,729,735
<b>2018</b>					
<b>TURNOVER - NET</b>	1,873,347,545	1,002,442,612	485,691,927	109,934,020	3,471,416,104
<b>RESULT - (segment results)</b>	15,602,091	(141,243,632)	964,059,531	(95,983,211)	742,434,779
<b>Taxation</b>					(72,229,151)
<b>Profit for the year</b>					670,205,628
<b>OTHER INFORMATION</b>					
Total capital expenditure	249,228,609	736,141,394	55,553,699	728,560	1,041,652,262
Total depreciation and amortisation	183,391,551	26,382,761	39,261,056	793,062	249,828,431
<b>ASSETS AND LIABILITIES</b>					
Total segment assets	5,389,579,324	2,794,299,120	8,610,219,494	229,779,581	17,023,877,519
Total segment liabilities	3,152,686,030	1,385,844,266	3,081,565,017	1,955,804,640	9,575,899,953

## Segment assets and liabilities

Segment assets include all operating assets by a segment and consist principally of property and equipment, stock-in-trade, trade debts and loans and advances net of impairment and provisions, if any. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

## 55. SUBSEQUENT EVENTS

The Board of Directors of the Holding Company in their meeting held on September 20, 2019 have recommended cash dividend @ 11 percent amounting to Rs. Nil million on the existing paid-up value of the ordinary share capital for approval of the shareholders in the annual general meeting to be held on October 25, 2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

## 56. DATE OF AUTHORISATION OF ISSUE

These consolidated financial statements were authorised for issue on September 20, 2019 by the Board of Directors of the Holding Company.

## 57. CORRESPONDING FIGURES

57.1 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassification has been made during the year:

Description	Note	Reclassified		Amount in Rupees
		From	To	
Short-term investments	14.4	Short-term investments	Other receivables	25,000,000

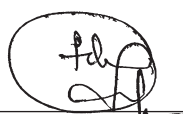
## 58. NUMBER OF EMPLOYEES

Number of employees as at June 30, 2019 was 2,317 (2018: 2,017) and average number of employees during the year was 1,955 (2018: 1,976).

## 59. GENERAL

All figures have been rounded off to the nearest rupee, unless otherwise stated.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of TPL Corp Limited ("Company") will be held on Friday, 25th October, 2019 at 12:15 p.m. at Institute of Chartered Accountants of Pakistan (ICAP) at Chartered Accountant Avenue, Clifton, Karachi, to transact the following business:

## ORDINARY BUSINESS:

1. To approve the minutes of the Annual General Meeting held on October 17th, 2018.

**"RESOLVED THAT** the minutes of Annual General Meeting of TPL Corp Limited held on October 17, 2018 at 11:00 am be and are hereby approved."

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors' and Auditors' Report thereon for the year ended June 30, 2019.

**"RESOLVED THAT** the Annual Standalone and Consolidated Audited Financial Statements of TPL Corp Limited, the Directors' and Auditors' Report thereon for the year ended 30 June 2019 be and are hereby approved."

3. To appoint Auditors for the year ending June 30, 2020 and fix their remuneration. M/s. EY Ford Rhodes, Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

**"RESOLVED THAT** M/s EY Ford Rhodes, Chartered Accountants be and are hereby appointed as Auditors of M/s. TPL Corp Limited on the basis of consent received by them, at a fee mutually agreed for the period ending June 30, 2020."

## SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company to make further equity investment of Rs. 300 million in the subsidiary company, TPL Life Insurance Limited.

**"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to make further equity investment of Rs. 300 million in the subsidiary company i.e TPL Life Insurance Limited."

5. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs. 100 million to the holding company, TPL Holdings (Private) Limited.

**"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to Rs.100 million to the holding company i.e. TPL Holdings (Private) Limited."

6. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance up to Rs. 100 million to the associated company, TPL Properties Limited.

**"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew advance up to PKR. 100 Million to TPL Properties Limited."

# NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of investment of Rs 100 million in the associated company, TPL Properties Limited.

**"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to renew investment of PKR. 100 Million in TPL Properties Limited."

8. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for renewal of advance and /or investment of Rs 100 million in the associated company, TPL E-Venture (Private) Limited.

**"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized for renewal of advance and /or investment of PKR. 100 Million in TPL E-Venture (Private) Limited."

9. To consider and, if thought fit, pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017, to authorize the Company for investment of Rs 100 million in the associated company, TPL Logistics (Private) Limited.

**"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized to invest PKR. 100 Million in TPL Logistics (Private) Limited."

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

## Equity investment of PKR 300 Million in TPL Life Insurance Limited:

The Company is desirous of making equity investment in TPL Life Insurance Limited. The equity investment to a maximum amount of PKR. 300 Million has been approved by the Board of Directors of the Company in their meeting held on September 20, 2019.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																																				
i.	Name of the associated company or associated undertaking	TPL Life Insurance Limited																																				
ii.	Basis of relationship	Subsidiary																																				
iii.	Earnings per share for the last three years of the Associated Company	2019 (Period ending 30 <sup>th</sup> June, 2019): Rs. (1.02) 2018: Rs. (2.73), 2017: Rs. (2.58), 2016: Rs. (0.02)																																				
iv.	Break-up value per share, based on latest audited financial statements	Rs. 2.73																																				
v.	Financial position of the associated company	<div>The extracts of the audited/reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2019 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>34,104,000</td></tr><tr><td>Other assets</td><td>705,570,000</td></tr><tr><td>Total Assets</td><td>739,674,000</td></tr><tr><td>Total Liabilities</td><td>466,336,000</td></tr><tr><td colspan="2">Represented by:</td></tr><tr><td>Paid up capital</td><td>900,000,000</td></tr><tr><td>Advance against right shares</td><td>100,000,000</td></tr><tr><td>Capital Reserve</td><td>-</td></tr><tr><td>Accumulated (loss)</td><td>726,662,000</td></tr><tr><td>Surplus on Revaluation of Fixed Assets</td><td>-</td></tr><tr><td>Equity</td><td>273,338,000</td></tr><tr><td colspan="2">Profit and Loss</td></tr><tr><td>(Loss) before interest and taxation</td><td>(86,168,000)</td></tr><tr><td>Financial charges</td><td>-</td></tr><tr><td>(Loss) before taxation</td><td>(86,168,000)</td></tr><tr><td>Taxation</td><td>(175,000)</td></tr><tr><td>(Loss) after taxation</td><td>(86,343,000)</td></tr></table>	Balance Sheet	Rupees	Non-current assets	34,104,000	Other assets	705,570,000	Total Assets	739,674,000	Total Liabilities	466,336,000	Represented by:		Paid up capital	900,000,000	Advance against right shares	100,000,000	Capital Reserve	-	Accumulated (loss)	726,662,000	Surplus on Revaluation of Fixed Assets	-	Equity	273,338,000	Profit and Loss		(Loss) before interest and taxation	(86,168,000)	Financial charges	-	(Loss) before taxation	(86,168,000)	Taxation	(175,000)	(Loss) after taxation	(86,343,000)
Balance Sheet	Rupees																																					
Non-current assets	34,104,000																																					
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Surplus on Revaluation of Fixed Assets	-																																					
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Taxation	(175,000)																																					
(Loss) after taxation	(86,343,000)																																					

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

vi.	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable
vii.	Maximum amount of investment to be made	PKR 300,000,000
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Source.
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Maximum price at which securities will be acquired;	At par value

## Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

xv.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	None
xvi.	Maximum number of securities to be acquired	30 million
xvii.	Number of securities and percentage thereof held before and after the proposed investment	<b>Before the proposed investment</b> No. of shares: 90.5 million Percentage: 82.27% <b>After the proposed investment</b> No. of shares: 120.5 million Percentage: 86.07%
xviii.	Current and preceding twelve wee weighted average market price where investment is proposed to be made in listed securities;	Not applicable
xix.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable

### Renewal of advance of Rs. 100 Million to TPL Holdings (Private) Limited:

TPL Corp Limited (the "Company") is desirous to renew its advance made to TPL Holdings (Private) Limited. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 100 million on 10th October 2017 and 17th October, 2018. The outstanding balance due to TPL Holdings (Private) Limited as at 30th June 2019 amounts to Rs. 1,072 million. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on September 20, 2019.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information						
i.	Name of the associated company or associated undertaking	TPL Holdings (Private) Limited						
ii.	Basis of relationship	Holding						
iii.	Earnings per share for the last three years of the Associated Company	2019: (26.01), 2018: (2.26) and 2017: (12.58)						
iv.	Break-up value per share, based on latest audited financial statements	PKR 311.98 per share						
v.	Financial position of the associated company	<div>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2019 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>1,796,066,093</td></tr><tr><td>Other assets</td><td>1,360,998,388</td></tr></table>	Balance Sheet	Rupees	Non-current assets	1,796,066,093	Other assets	1,360,998,388
Balance Sheet	Rupees							
Non-current assets	1,796,066,093							
Other assets	1,360,998,388							



# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

		<table><tr><td>Total Assets</td><td>3,157,064,481</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>1,979,349,874</td></tr><tr><td></td><td></td></tr><tr><td>Represented by:</td><td></td></tr><tr><td>Paid up capital</td><td>37,744,000</td></tr><tr><td>Accumulated (loss)</td><td>1,139,793,813</td></tr><tr><td>Surplus on Revaluation of Fixed Assets</td><td></td></tr><tr><td>Equity</td><td>1,177,537,813</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit before interest and taxation</td><td>60,446,501</td></tr><tr><td>Financial charges</td><td>(158,642,971)</td></tr><tr><td>Profit/(Loss) before taxation</td><td>(98,196,470)</td></tr><tr><td>Taxation</td><td>-</td></tr><tr><td>Profit/(Loss) after taxation</td><td>(98,196,470)</td></tr></table>	Total Assets	3,157,064,481			Total Liabilities	1,979,349,874			Represented by:		Paid up capital	37,744,000	Accumulated (loss)	1,139,793,813	Surplus on Revaluation of Fixed Assets		Equity	1,177,537,813			Profit and Loss		Profit before interest and taxation	60,446,501	Financial charges	(158,642,971)	Profit/(Loss) before taxation	(98,196,470)	Taxation	-	Profit/(Loss) after taxation	(98,196,470)
Total Assets	3,157,064,481																																	
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Profit/(Loss) after taxation	(98,196,470)																																	
vi	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable																																
vii.	Maximum amount of investment to be made	PKR 100,000,000																																
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries																																
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (III)justification for investment through borrowings; (IV) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Source.																																

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not applicable
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel, Mr. Jameel Yusuf and Mr. Bilal Alibhai are the directors of the Company, and TPL Holdings (Pvt.) Limited.
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	Not applicable
xiv.	Category-wise amount of investment;	Loan repayable on demand
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	The average estimated borrowing cost of the Company is KIBOR + 3%.
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Markup to be charged equivalent to the borrowing cost
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	None
xx.	Sources of funds from where loans or advances will be given	Own source
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.
xxiv.	Repayment schedule and terms of loans or advances to be given to the investee company	Repayable on demand.

## Renewal of advance of Rs. 100 Million in TPL Properties Limited:

The Company is desirous to renew its advance made to TPL Properties Limited. The advance amount was initially approved by the Board of Directors and reduction from the said advance from Rs. 250 Million to Rs. 100 Million was subsequently approved/renewed by the Members on 10th October 2017 and October 17, 2018.

The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on September 20, 2019 and the information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																
i.	Name of the associated company or associated undertaking	TPL Properties Limited																
ii.	Basis of relationship	Associated																
iii.	Earnings per share for the last three years of the Associated Company	2019: 2.23, 2018: 3.77, 2017: 1.68																
iv.	Break-up value per share, based on latest audited financial statements	PKR 20.12 per share																
v.	Financial position of the associated company	<div>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2019 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>8,738,852,376</td></tr><tr><td>Other assets</td><td>638,821,282</td></tr><tr><td>Total Assets</td><td>9,377,673,658</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>2,789,793,439</td></tr><tr><td></td><td></td></tr><tr><td>Represented by:</td><td></td></tr></table>	Balance Sheet	Rupees	Non-current assets	8,738,852,376	Other assets	638,821,282	Total Assets	9,377,673,658			Total Liabilities	2,789,793,439			Represented by:	
Balance Sheet	Rupees																	
Non-current assets	8,738,852,376																	
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Total Assets	9,377,673,658																	
Total Liabilities	2,789,793,439																	
Represented by:																		

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

		<table><tr><td>Paid up capital</td><td>3,273,931,060</td></tr><tr><td>Share Premium</td><td>21,746,165</td></tr><tr><td>Accumulated Profit</td><td>3,292,202,994</td></tr><tr><td>Surplus on Revaluation of Fixed Assets</td><td>-</td></tr><tr><td>Equity</td><td>6,587,880,219</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit/(Loss) before interest and taxation</td><td>1,019,469,301</td></tr><tr><td>Financial charges</td><td>(267,747,691)</td></tr><tr><td>Profit/(Loss) before taxation</td><td>752,221,610</td></tr><tr><td>Taxation</td><td>(22,159,772)</td></tr><tr><td>Profit/(Loss) after taxation</td><td>730,061,838</td></tr></table>	Paid up capital	3,273,931,060	Share Premium	21,746,165	Accumulated Profit	3,292,202,994	Surplus on Revaluation of Fixed Assets	-	Equity	6,587,880,219			Profit and Loss		Profit/(Loss) before interest and taxation	1,019,469,301	Financial charges	(267,747,691)	Profit/(Loss) before taxation	752,221,610	Taxation	(22,159,772)	Profit/(Loss) after taxation	730,061,838
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vi.	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and  e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable																								
vii.	Maximum amount of investment to be made	PKR 100,000,000																								
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in associated company																								
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (V) justification for investment through borrowings; (VI) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Source.																								

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel, Mr. Jameel Yusuf, Mr. Bilal Alibhai, Ms. Sabiha Sultan and Mr. Muhammad Shafi are common directors of both companies.
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	None
xiv.	Category-wise amount of investment;	-
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	The average estimated borrowing cost of the Company is KIBOR + 3%.
xvi.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Markup to be charged equivalent to the borrowing cost of the company
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	None
xx.	Sources of funds from where loans or advances will be given	Own Investment
xxi.	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

xxii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	The loan is unsecured.
xxiii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.
xxiv.	Repayment schedule and terms of loans or advances to be given to the investee company	Repayable on demand.

## Renewal of equity investment of Rs. 100 Million in TPL Properties Limited:

The Company is desirous to make equity investment in TPL Properties Limited. The equity investment to a maximum amount of Rs.100 million was initially approved by the Board of Directors of the Company in their meeting held on August 17, 2018 and was subsequently approved by the Members on October 17, 2018.

The renewal of investment has been approved by the Board of Directors of the Company in their meeting held on September 20, 2019 and the information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information												
i.	Name of the associated company or associated undertaking	TPL Properties Limited												
ii.	Basis of relationship	Associated												
iii.	Earnings per share for the last three years of the Associated Company	2019: 2.23, 2018: 3.77, 2017: 1.68												
iv.	Break-up value per share, based on latest audited financial statements	PKR 20.12 per share												
v.	Financial position of the associated company	<div>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2019 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>8,738,852,376</td></tr><tr><td>Other assets</td><td>638,821,282</td></tr><tr><td>Total Assets</td><td>9,377,673,658</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>2,789,793,439</td></tr></table>	Balance Sheet	Rupees	Non-current assets	8,738,852,376	Other assets	638,821,282	Total Assets	9,377,673,658			Total Liabilities	2,789,793,439
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Total Liabilities	2,789,793,439													

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

		<table><tr><td>Represented by:</td><td></td></tr><tr><td>Paid up capital</td><td>3,273,931,060</td></tr><tr><td>Share Premium</td><td>21,746,165</td></tr><tr><td>Accumulated Profit</td><td>3,292,202,994</td></tr><tr><td>Surplus on Revaluation of Fixed Assets</td><td>-</td></tr><tr><td>Equity</td><td>6,587,880,219</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit/(Loss) before interest and taxation</td><td>1,019,469,301</td></tr><tr><td>Financial charges</td><td>(267,747,691)</td></tr><tr><td>Profit/(Loss) before taxation</td><td>752,221,610</td></tr><tr><td>Taxation</td><td>(22,159,772)</td></tr><tr><td>Profit/(Loss) after taxation</td><td>730,061,838</td></tr></table>	Represented by:		Paid up capital	3,273,931,060	Share Premium	21,746,165	Accumulated Profit	3,292,202,994	Surplus on Revaluation of Fixed Assets	-	Equity	6,587,880,219			Profit and Loss		Profit/(Loss) before interest and taxation	1,019,469,301	Financial charges	(267,747,691)	Profit/(Loss) before taxation	752,221,610	Taxation	(22,159,772)	Profit/(Loss) after taxation	730,061,838
Represented by:																												
Paid up capital	3,273,931,060																											
Share Premium	21,746,165																											
Accumulated Profit	3,292,202,994																											
Surplus on Revaluation of Fixed Assets	-																											
Equity	6,587,880,219																											
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Profit/(Loss) before taxation	752,221,610																											
Taxation	(22,159,772)																											
Profit/(Loss) after taxation	730,061,838																											
vi	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable																										
vii.	Maximum amount of investment to be made	PKR 100,000,000																										
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in associated company																										
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Source.																										

## Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	Mr. Ali Jameel, Mr. Jameel Yusuf, Mr. Bilal Alibhai, Ms. Sabiha Sultan and Mr. Muhammad Shafi are common directors of both companies.
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	Investment will be made through right issue, whenever announced by the company.
xiv.	Maximum price at which securities will be acquired;	None
xv.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	None
xvi.	Maximum number of securities to be acquired	None
xvii.	Number of securities and percentage thereof held before and after the proposed investment	None
xviii.	Current and preceding twelve week's weighted average market price where investment is proposed to be made in listed securities;	Current PKR 8.70 per share, preceding 12 month weeks Avg. PKR 9 per share.
xix.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	None

### **Renewal of advance and / or invest Rs. 100 million to an associated company TPL E-Ventures (Private) Limited.**

TPL Corp Limited (the "Company") is desirous to renew its advance made to TPL E-Ventures (Private) Limited. The advance amount was initially approved by the Board of Directors and its renewal approved by the members subsequently to a maximum amount of Rs. 200 million on 10th October 2017 and 17th October, 2018. The outstanding balance due to TPL E-Ventures (Private) Limited as at 30th June 2019 amounts to Rs. 27.66 million. The renewal of advance has been approved by the Board of Directors of the Company in their meeting held on September 20, 2019.



# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																																						
i.	Name of the associated company or associated undertaking	TPL E-Ventures (Private) Limited																																						
ii.	Basis of relationship	Subsidiary																																						
iii.	Earnings per share for the last three years of the Associated Company	Not applicable																																						
iv.	Break-up value per share, based on latest audited financial statements	Not applicable																																						
v.	Financial position of the associated company	<div>The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2019 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>N.A</td></tr><tr><td>Other assets</td><td>N.A</td></tr><tr><td>Total Assets</td><td>N.A</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>N.A</td></tr><tr><td></td><td></td></tr><tr><td>Represented by:</td><td></td></tr><tr><td>Paid up capital</td><td>N.A</td></tr><tr><td>Accumulated (loss)</td><td>N.A</td></tr><tr><td>Surplus on Revaluation of Fixed Assets</td><td>N.A</td></tr><tr><td>Equity</td><td>N.A</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit before interest and taxation</td><td>N.A</td></tr><tr><td>Financial charges</td><td>N.A</td></tr><tr><td>(Loss) before taxation</td><td>N.A</td></tr><tr><td>Taxation</td><td>N.A</td></tr><tr><td>Profit/(Loss) after taxation</td><td>N.A</td></tr></table>	Balance Sheet	Rupees	Non-current assets	N.A	Other assets	N.A	Total Assets	N.A			Total Liabilities	N.A			Represented by:		Paid up capital	N.A	Accumulated (loss)	N.A	Surplus on Revaluation of Fixed Assets	N.A	Equity	N.A			Profit and Loss		Profit before interest and taxation	N.A	Financial charges	N.A	(Loss) before taxation	N.A	Taxation	N.A	Profit/(Loss) after taxation	N.A
Balance Sheet	Rupees																																							
Non-current assets	N.A																																							
Other assets	N.A																																							
Total Assets	N.A																																							
Total Liabilities	N.A																																							
Represented by:																																								
Paid up capital	N.A																																							
Accumulated (loss)	N.A																																							
Surplus on Revaluation of Fixed Assets	N.A																																							
Equity	N.A																																							
Profit and Loss																																								
Profit before interest and taxation	N.A																																							
Financial charges	N.A																																							
(Loss) before taxation	N.A																																							
Taxation	N.A																																							
Profit/(Loss) after taxation	N.A																																							

## Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

vi.	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	Not applicable
vii.	Maximum amount of investment to be made	PKR 100,000,000
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in subsidiaries
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Own Fund
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	-
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Not applicable
xiii.	Any other important details necessary for the members to understand the transaction;	None

## Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

xiv.	Category-wise amount of investment;	-
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	3 months KIBOR + 3%,per annum
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	None
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Letter of comfort
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	None
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	None
xx..	Sources of funds from where loans or advances will be given	Own Investment
	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company	Not applicable
xxi.	Particulars of collateral or security to be obtained in relation to the proposed investment;	The loan is unsecured.
xxii.	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable.
xxiii.	Repayment schedule and terms of loans or advances to be given to the investee company	Repayable on demand.

### Equity investment of PKR 100 Million in TPL Logistics (Pvt.) Limited:

The Company is desirous of making equity investment in TPL Logistics (Pvt.) Limited. The equity investment to a maximum amount of PKR. 100 Million has been approved by the Board of Directors of the Company in their meeting held on September 20, 2019.

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S. No.	Requirement	Information																																
i.	Name of the associated company or associated undertaking	TPL Logistics (Pvt.) Limited																																
ii.	Basis of relationship	Associated																																
iii.	Earnings per share for the last three years of the Associated Company	2019: (414.35) 2018: (95.49) 2017: (115.61)																																
iv.	Break-up value per share, based on latest audited financial statements	-																																
v.	Financial position of the associated company	<div>The extracts of the unaudited balance sheet and profit and loss account of the associated company as at and for the period ended June 30, 2019 is as follows:</div> <table><tr><th>Balance Sheet</th><th>Rupees</th></tr><tr><td>Non-current assets</td><td>619,539</td></tr><tr><td>Other assets</td><td>6,356,961</td></tr><tr><td>Total Assets</td><td>6,976,500</td></tr><tr><td></td><td></td></tr><tr><td>Total Liabilities</td><td>1,339,326</td></tr><tr><td></td><td></td></tr><tr><td>Represented by:</td><td></td></tr><tr><td>Paid up capital</td><td>10,987,240</td></tr><tr><td>Accumulated (loss)</td><td>(5,350,066)</td></tr><tr><td>Equity</td><td>5,637,174</td></tr><tr><td></td><td></td></tr><tr><td>Profit and Loss</td><td></td></tr><tr><td>Profit/(Loss) before interest and taxation</td><td>(4,153,025)</td></tr><tr><td>Financial charges</td><td>452</td></tr><tr><td>Profit/(Loss) before taxation</td><td>(4,152,573)</td></tr></table>	Balance Sheet	Rupees	Non-current assets	619,539	Other assets	6,356,961	Total Assets	6,976,500			Total Liabilities	1,339,326			Represented by:		Paid up capital	10,987,240	Accumulated (loss)	(5,350,066)	Equity	5,637,174			Profit and Loss		Profit/(Loss) before interest and taxation	(4,153,025)	Financial charges	452	Profit/(Loss) before taxation	(4,152,573)
Balance Sheet	Rupees																																	
Non-current assets	619,539																																	
Other assets	6,356,961																																	
Total Assets	6,976,500																																	
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Profit/(Loss) before taxation	(4,152,573)																																	
		<table><tr><td>Taxation</td><td>-</td></tr><tr><td>Profit/ (Loss) after taxation</td><td>(4,152,573)</td></tr></table>	Taxation	-	Profit/ (Loss) after taxation	(4,152,573)																												
Taxation	-																																	
Profit/ (Loss) after taxation	(4,152,573)																																	
vi	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational;	Not applicable																																

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

	d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	
vii.	Maximum amount of investment to be made	PKR 100,000,000
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To make investment in associated company over a period of two years.
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Through working capital.
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	To provide working capital support for execution of contracts.
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	None
xii.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
xiii.	Any other important details necessary for the members to understand the transaction;	Investment will be made through right issue, whenever announced by the company.
xiv.	Maximum price at which securities will be acquired;	At face value
xv.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
xvi.	Maximum number of securities to be acquired	10,000,000 Shares
xvii.	Number of securities and percentage thereof held before and after the proposed investment	<b>Before the proposed investment</b> No. of shares: 329,317 Percentage: 30%

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

xviii.	Current and preceding twelve wee weighted average market price where investment is proposed to be made in listed securities;	Not applicable
xix.	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	None

## ANY OTHER BUSINESS

10. To transact any other business with the permission of the Chairman.

By Order of the Board

**Danish Qazi**

Company Secretary

Karachi, October 4th, 2019

## Notes :

### 1. Closure of Share Transfer Books:

The Share Transfer Book of the Company will remain closed from October 18th, 2019 to October 25th, 2019 (both days inclusive). Share Transfers received at M/s THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400 by the close of business hours (5:00 PM) on Thursday, October 17h, 2019, will be treated as being in time for the purpose of above entitlement to the transferees.

### 2. Participation in the Meeting:

All members of the Company are entitled to attend the meeting and vote there at in-person or through Proxy. A proxy duly appointed shall have such rights as respect to the speaking and voting at the meeting as are available to a member. The proxies shall produce their original CNICs or original passport at the time of the meeting.

Members can also avail video conference facility in Karachi, Lahore, Rawalpindi/Islamabad, Peshawar and Quetta. In this regard please fill the provided Consent for video conference facility and submit to registered address of the Company 7 days before holding of the general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to date of meeting, the Company will arrange a video conference facility in the city, subject to availability of such facility in that city.

# Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access such facility.

### 3. For Appointing Proxy

A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend, speak and vote on his/her behalf. In order to be effective, duly filled and signed Proxy Form must be received at the Registrar of the Company M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, not less than 48 hours before the Meeting.

### 4. Members who have deposited their shares into CDC will further have to follow the undermentioned guidelines as laid down in circular 01 of 2000 dated January 26th, 2000, issued by the Securities and Exchange Commission of Pakistan:

#### For Attending the Meeting:

- i. In case of individuals, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original valid CNIC or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

### 5. Change of Address:

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar M/s. THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400.

### 6. Accounts of the Company for the year ended June 30, 2019 have been placed on the website of the Company, <http://tplcorp.com/>.

# CONSENT FOR VIDEO CONFERENCE FACILITY ANNUAL GENERAL MEETING

I/We \_\_\_\_\_

S/o/ D/o \_\_\_\_\_ r/o \_\_\_\_\_

being a member(s) of TPL Corp Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per registered Folio / CDS

Account No. \_\_\_\_\_, hereby opt for video conference facility at \_\_\_\_\_ to attend

Annual General Meeting of the Company to be held on Friday, October 25th, 2019

Signature on Revenue Stamp  
of Appropriate Value

Note: This consent, duly completed and signed, must be received at the registered office of the Company at least seven (7) days before the date of the meeting.



# PROXY FORM

## Annual General Meeting of TPL Corp Limited

I/We \_\_\_\_\_ S/o / D/o / W/o \_\_\_\_\_

resident of (full address) \_\_\_\_\_

being a member(s) of TPL Corp Limited, holding \_\_\_\_\_ ordinary shares,

hereby appoint \_\_\_\_\_ S/o / D/o / W/o \_\_\_\_\_

resident of (full address) \_\_\_\_\_ or failing him / her

\_\_\_\_\_ S/o / D/o / W/o \_\_\_\_\_

resident of (full address) \_\_\_\_\_

as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Company to be held on Friday, 25th October, 2019 and/or adjournment thereof.

As witness my / our hand (s) seal this on the \_\_\_\_\_ day of \_\_\_\_\_ 2019.

In presence of:

Signed by the said:

1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or Passport No: \_\_\_\_\_

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or Passport No: \_\_\_\_\_

Folio No. / CDC Account No.

Signature on  
Revenue Stamp of  
Appropriate Value.

The signature should agree  
with the specimen registered  
with the Company.

**Important Instructions:**

1. The Proxy form, duly completed and signed, must be received at the Registrar's Office of the Company not less than forty eight (48) hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner and along with the proxy is required to be furnished with the proxy form.
4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Company.

## (نیابت) پراکسی فارم

میں/ہم \_\_\_\_\_ جس کا/ (جن کا) مکمل پتہ \_\_\_\_\_

\_\_\_\_\_ ہے، ٹی پی ایل کارپوریٹڈ کا ممبر ہوں/ ہیں۔

اور میرے/ ہمارے پاس \_\_\_\_\_ نمبر کے آرڈری شیٹرز ہیں

جن کا رجسٹرڈ فوئیو نمبر \_\_\_\_\_ یا سی ڈی سی پارٹسپینٹ آئی ڈی نمبر \_\_\_\_\_

اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ بذریعہ تقرر \_\_\_\_\_

\_\_\_\_\_ جس کا مکمل پتہ \_\_\_\_\_

\_\_\_\_\_ یا اسکی عدم موجودگی میں \_\_\_\_\_ مکمل پتہ \_\_\_\_\_

میری/ ہماری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں، جو کہ جمعہ ۱۲۵ اکتوبر، ۲۰۱۹ کی میٹنگ، یا اس کے التواء کی صورت میں اس کے بعد جب بھی میٹنگ ہو، میری/ ہماری نیابت (پراکسی) میں میری/ ہماری طرف سے ووٹ دینے کا حق رکھتا/ رکھتی ہے۔

زیر دستخطی \_\_\_\_\_ دن \_\_\_\_\_ ۲۰۱۹

دستخط کنندہ

فویو نمبر / سی ڈی سی اکاؤنٹ نمبر

برائے مہربانی یہاں ریونیوسٹپ  
چسپاں کریں

(دستخط کمپنی کے پاس جمع کرائے گئے دستخط  
کے نمونے سے ملنا ضروری ہے)

1- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

2- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

ہدایات:

- ۱۔ نیابت (پراکسی) صرف اسی صورت میں موثر سمجھی جائے گی جب یہ کمپنی کو مینٹنگ سے کم از کم 48 گھنٹے پہلے موصول ہو۔
- II۔ سی ڈی سی شیئر ہولڈرز اور ان کے نیابت کاروں کے لئے لازم ہے کہ وہ اس نیابت (پراکسی) کو کمپنی میں جمع کروانے سے پہلے اپنے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی کو اس فارم کے ساتھ منسلک کر دیں۔
- III۔ نیابت کار کو مینٹنگ کے وقت اپنا اصل شناختی کارڈ یا اپنا اصل پاسپورٹ دکھانا ہوگا۔
- IV۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ دستخطوں کے نمونے کے ساتھ نیابت (پراکسی) فارم کے ساتھ کمپنی میں جمع کروانے ہونگے (سوائے اس کے کہ وہ پہلے ہی فراہم کئے جا چکے ہوں)۔
- V۔ ان شرائط و ضوابط کی تشریح اور تفصیل کے لئے یا مبالغے کی صورت میں انگریزی میں لکھی ہوئی شرائط و ضوابط کو حتمی حیثیت حاصل ہوگی۔

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